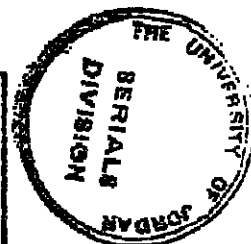


Afghan rebels agree to consider U.N. plan

ISLAMABAD (R) — Afghan rebels agreed Tuesday to consider a United Nations peace plan as the basis for a settlement ending the 13-year-old civil war in Afghanistan. A joint declaration after two sessions of talks between the guerrillas and two of their main backers, Pakistan and Iran, said the participants "recognized positive points" in the five-point plan proposed last May by U.N. Secretary-General Javier Perez de Cuellar. "The statement could serve as a possible basis for a settlement for the Afghanistan problem," it said. Iranian Foreign Minister Ali Akbar Velayati, the prime mover behind the talks, described them as a "turning point in... the struggle of the people of Afghanistan." Most Pakistan-based Mujahideen guerrilla groups and all of those based in Iran attended the meeting. The Mujahideen are fighting to overthrow the Soviet-backed Afghan government of President Najibullah. Mr. Velayati said a second meeting would be held in Tehran.



Jordan Times

An independent Arab political daily published by the Jordan Press Foundation
جوردان تايمز يومية سياسية تصدر بالانجليزية عن المؤسسة الصحفية الاردنية «الرأي»

League urges world to save Palestinians

CARRO (AP) — The Arab League Tuesday urged the United Nations and the world to send investigators immediately to Israel to "save Palestinian" "hostages in Israeli prisons." The complaint, in a statement by the league's secretary-general, Esmat Meguid, came on the same day as strong criticism of Israel's detention policies by the London-based human rights group, Amnesty International. "We call on the world to intervene immediately to save the lives of Palestinian hostages in Israeli prisons," Dr. Abdul Meguid said. "At a time when the world is making peace efforts to establish stability based on legitimacy, Israel continues its aggressive policies. The international community and the United Nations should take the initiative and immediately send a fact-finding mission to the occupied territories to check the oppressive and inhuman Israeli actions against the Arab Palestinian people," he added. Amnesty International said Tuesday that Israel's practice of holding Palestinian prisoners for 18 days without seeing a lawyer or judge is a "fundamental flaw" in the military justice system and lends credibility to charges that torture is used to coerce confessions.

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Wounded Iraqi children leave for Germany

BAGHDAD (R) — A group of 22 Iraqi children wounded during the Gulf war left for Germany Tuesday where they will be treated for their injuries, the Iraqi News Agency (INA) reported. "These children are suffering from serious (injuries) that cannot be treated inside Iraq including fractures, burns, paralysis, lost limbs and blindness," INA said quoting a doctor accompanying the children. Doctor Kamal Fakhoury said Arab and German humanitarian groups were organizing and paying for the trip. A group of 11 children went to Berlin for treatment earlier this month.

Moscow appoints first envoy to Bahrain

BAHRAIN (R) — The Soviet Union has appointed its first ambassador to Bahrain since they established diplomatic relations 11 months ago. The Gulf News Agency said the emir, Sheikh Isa Bin Salman Al Khalifa, received the credential of the envoy, Anatoly Gavryushenko, at a ceremony Tuesday attended by Foreign Minister Sheikh Mohammad Ben Mubarak Al Khalifa. Moscow set up diplomatic links with Bahrain, the only state in the Gulf region which it did not have formal relations, on Sept. 28, 1990.

U.S. to make deep military cuts overseas

WASHINGTON (R) — The U.S. military will soon withdraw from nearly 800 overseas bases and facilities, mostly in Germany, and will leave about one-third of America's foreign bases by 1995, administration officials said Tuesday. The officials, who asked not to be identified, said the plan to end U.S. military presence at a third of some 1,600 foreign facilities over four years was a result of budget pressures and the easing of East-West tensions.

Tehran bazaar damage estimated in millions

NICOSIA (AP) — Merchants estimated that millions of dollars in carpets, fabrics and shops were damaged in a raging fire in Tehran's bazaar, the main business district, the daily Ettelaat reported Tuesday. The Farsi-language paper said four people were injured in the Monday fire, which took seven hours to control, but did not report details on their condition. It said that damage from the fire was estimated in billions of rials (tens of millions of dollars), but gave no precise figure. The bazaar is a warren of narrow alleys crowded with jostling shoppers and porters pushing wheelbarrows heavily laden with merchandise. It is divided into many sections. Merchants there supply the whole city with goods ranging from spices and underwear to gold. The area is one of the most densely populated of the capital. Tall, dusty buildings vie with smaller shops and houses. Bazaar merchants are among the wealthiest of Iranians, and pack substantial political clout. The 1979 Islamic Revolution was financed by bazaar merchants, who traditionally come from conservative, religious backgrounds.

Hizbollah believes hostages in no danger

BAALBEK, Lebanon (R) — A radical Shiite Muslim leader in Lebanon said Tuesday he believed two German hostages were no longer in danger from their captors. Hussein Musawi of the Hizbollah (Party of God) told Reuters and the international television news agency Viasat the direct to the Germans, aid workers Heinrich Strubig and Thomas Kempner, should be over because of signs that two Lebanese brothers held in Germany were in good health. A group calling itself the Freedom Strugglers threatened to harm the Germans last week unless Bonn proved within 48 hours that the Hamadi brothers were not being mistreated.

Soviets get economic prize on first day of superpower summit

MOSCOW (Agencies) — U.S. President George Bush opened a superpower summit with President Mikhail Gorbachev Tuesday by proclaiming "an end to a long era as adversaries" and awarding the Soviet Union a long-sought economic prize of most-favored-nation (MFN) status.

The announcement capped Mr. Bush's first day of meetings with Mr. Gorbachev and gave the Soviet president a shot in the arm for his crumbling economy.

Mr. Gorbachev gave Mr. Bush a warm welcome in the ornate St. George's Hall of the Kremlin, where Mr. Bush praised the Soviet president for abandoning Moscow's "old orthodoxy." Acknowledging the turmoil that has accompanied economic and political reform, Mr. Bush told Mr. Gorbachev, "we stand with you."

But Mr. Bush warned against any expectation of direct financial help.

"A shortage of foreign capital is not what plagues your economy today, nor can your economic ills be cured by simple infusion of cash," the president said.

He said the next step for the Soviet Union was to develop an economic plan with the International Monetary Fund (IMF) and World Bank to move from a centrally-controlled economy to a free-market system.

Mr. Bush promised to send to Congress a U.S.-Soviet trade agreement that will give Moscow many of the trade benefits enjoyed by America's closest allies.

He said he also would urge U.S. lawmakers to repeal restrictions limiting credits and trade for

the Soviet Union and would accelerate efforts to conclude agreements on taxation and investment.

Soviet presidential spokesman Vitaly Ignatenko, at a later briefing, spoke of Moscow's "paradoxical" approach to U.S. assistance. It was an apparent reference to Soviet hopes for U.S. financial help but its desire to remain economically independent.

Soviet economic relations with the United States should emerge "not from the feeling of inferiority," he said. "We want to be more predictable and understandable to your people."

"This summit marks a new beginning: 'The prospect that we can put an end to a long era as adversaries, write a new chapter in the history of our two nations, forge a new partnership and a sturdy peace,'" Mr. Bush said in remarks prepared for a speech at the Moscow Institute for International Relations.

With an arms agreement in hand and prospects for a Middle East peace conference, Mr. Bush said: "We need only compare the words of the cold war with our historic accomplishments in recent years to realize that a new age of promise has dawned."

"No longer must all the world serve as a stage for superpower stand-offs," he said, listing world trouble spots from Central America to Angola where tensions were receding. Mr. Gorbachev spoke bluntly about his agenda, saying: "Cooperation between the superpowers should bring economic improvement to the people of the Soviet Union."

The first day of the two-day summit was also marked by discussions on a Middle East peace conference and a public snub to Mr. Gorbachev from popular Russian leader Boris Yeltsin.

Mr. Yeltsin declined a public invitation from Mr. Gorbachev to join the two superpower leaders from a section of their talks, underlining the delicate balance of power between Moscow and the increasingly assertive Soviet republics.

Mr. Bush also had a meeting with Mr. Yeltsin, Mr. Gorbachev's main political rival. Mr. Gorbachev told reporters as he strolled around the Kremlin gardens with Mr. Bush in bright sunshine that the first round of talks had gone well.

The two men met for the sixth time since Mr. Bush took office in 1989, and both paid tribute to their opening remarks to the warming of superpower relations over the past few years.

Turning to Cuba, Mr. Bush laid into President Fidel Castro, saying he did not share Mr. Gorbachev's belief in perestroika or glasnost, the essence of his political and economic reforms.

"The United States poses no threat to Cuba," he said. "Therefore, there is no need for the Soviet Union to funnel millions of dollars in military aid to Cuba."

Mr. Bush gave new emphasis to Japan's continuing dispute with Moscow over four islands seized by Soviet troops at the end of World War II, referring to the issue in both his opening remarks in the Kremlin and his speech to

(Continued on page 5)

Baker weighs whether to launch sixth Mideast peace mission

TEL AVIV (Agencies) — U.S. Secretary of State James Baker told Prime Minister Yitzhak Shamir Tuesday he would decide within a day whether to return to Israel to discuss the final obstacles to a Middle East peace conference.

"Secretary of State James Baker called Prime Minister Shamir from Moscow and said that he will tell him later in the day or tomorrow morning whether he will return for another visit to Israel," a statement from Mr. Shamir's office said.

The statement came in reaction to a report by the U.S. Cable News Network from Moscow that Israel promised Mr. Baker it would respond to U.S. peace proposals by Tuesday night.

Mr. Shamir's spokesman Avi Pazmer did not confirm or deny the report and said he could not release any other details of their conversation.

Foreign Minister David Levy

said Monday he expected Mr. Baker to return to Israel within days for his sixth Middle East peace mission since the end of the Gulf war.

Syria, Jordan, Lebanon, Saudi Arabia and the Gulf states have agreed to Mr. Baker's proposal for a peace conference.

Israel opposes the participation of any Palestinian from Arab Jerusalem and those representing the Palestine Liberation Organisation (PLO).

Mr. Baker has suggested excluding Palestinians from Arab Jerusalem until a final stage of peace talks when the Holy City's future will be discussed.

Israel and the Palestinians have rejected the compromise.

Mr. Shamir said Monday another visit by Mr. Baker might help resolve problems blocking a peace conference.

President George Bush and Soviet President Mikhail Gorbachev hoped to announce the

conference during their summit talks that began in Moscow Tuesday. But the dispute over which Palestinians would join peace talks persists, despite compromise attempts from afar.

As a result, Mr. Bush "most likely" will send Mr. Baker to the region if a deal cannot be struck by the end of summit discussions Wednesday, said a senior official who spoke in Moscow on condition of anonymity. Mr. Baker would meet separately with Israeli government leaders and a Palestinian delegation and possibly make other stops as well.

Brent Scowcroft, Mr. Bush's national security adviser, said "I'm not sure how likely" the two leaders are to announce a Mideast conference at the summit, although the subject was high on their agenda. But if a conference is convened, he said in a CBS Television interview, it

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PLO works on consensus among its factions over peace process

By Mariam M. Shabin
Jordan Times Staff Reporter

AMMAN — A Palestinian consensus on the ongoing U.S.-led efforts to convene Middle East peace talks is being worked out among the various factions and parties that make up the Palestine Liberation Organisation (PLO), a senior PLO official said Tuesday.

"This is not a question of which party or group has more points or the greater muscle but a question on the future of a people," PLO Executive Committee member Mohammad Milhem said on his return from Tunis, where the PLO leadership is meeting.

"The different groups are still meeting to iron out their differences on internal and external issues, including the American peace proposal," Mr. Milhem said.

Leading members of two major PLO factions based in Damascus were quoted as saying that the

PLO leadership's talks with dissident factions were not going well.

"The talks are going in a vicious circle. They have not dealt with the fundamental differences on internal and external policies," Nayef Hawatmeh, leader of the Democratic Front for the Liberation of Palestine, was quoted as saying by Reuters.

A spokesman for the Popular Front for the Liberation of Palestine in Damascus was also negative about the contacts when he told Reuters that "some people in the PLO leadership are not serious about putting the Palestinian house in order."

The DFLP and the PFLP were represented in the PLO delegation to the Damascus talks last week, along with Fateh and the Palestinian Communist Party.

They met leaders of four dissident Palestinian groups.

Mr. Hawatmeh said that in the talks the PLO delegation demanded two groups — the Fateh uprising of Abu Musa and the

Revolutionary Communist Party — change their names before dialogue began.

PLO officials said the talks were also hampered by Muslim fundamentalist demands for 40 per cent of the seats in the Palestine National Council (PNC).

In Amman, Mr. Milhem spoke of a growing inter-Arab consensus on on-going Middle East peace proposals. Jordan and the PLO in particular, Mr. Milhem said, have a "great understanding" of each other's positions.

Jordanian-Palestinian relations have never been so close or so good at the highest levels as now," he told the Jordan Times.

He said the outcome of the talks currently being held in Moscow between U.S. Secretary of State James Baker and Soviet Foreign Minister Alexander Bessmertnykh may make or break the success of the U.S. peace initiative.

(Continued on page 3)



An Israeli policeman checking a Palestinian's identity card in the occupied Jerusalem as others wait for their turn

Egypt says Israel cannot have Arab land and peace together

CARRO (Agencies) — Egypt's foreign minister told his Israeli counterpart Tuesday that the Jewish state cannot keep occupied Arab territory and maintain peace at the same time. He urged Israel to be flexible.

After meeting for almost three hours, Foreign Minister Amr Musa said he and David Levy, the Israeli minister, could not agree on the land-for-peace formula that Arabs say must be the basis of negotiations to end the Arab-Israeli conflict.

Mr. Musa's comments came a few hours after Mr. Levy, sightseeing in Cairo, said he and Egyptian leaders agreed to improve and normalise relations strained for years by widely opposed positions on the peace process.

"Keeping both the land and peace is unacceptable," Mr. Musa told reporters, with Mr. Levy at his side. "We hope there will be flexibility in the Israeli

position, and that is why our talks went on for so long. We will meet again tonight."

Mr. Levy described the marathon session as friendly.

But the depth of their disagreement was obvious when a question was raised about U.N. Resolution 242, which demands that Israel return territories occupied in the 1967 war and that all states in the region respect the sovereignty and security of all others.

Asked how Israel interprets the resolution, Mr. Levy said: "There are a number of interpretations of U.N. resolution 242. Israel has its own interpretation."

Mr. Musa, who was not asked, stepped to the microphone as Mr. Levy finished and said any Arab-Israeli negotiations will be about carrying out Resolution 242, not about the resolution itself.

Israel maintains that giving back the Sinai peninsula to Egypt

in 1982 fulfilled its obligations under the resolution.

Resolution 242 "includes principles that have to be carried out," Mr. Musa said. "The talks will be about ways and means to implement the resolution and the principles it includes, not about its interpretation."

He said Egypt hopes Israel's interpretation will conform to the one accepted internationally.

"Establishing peace depends on carrying out these principles that the international community has decreed about the territories and security," the Egyptian minister said. They "are the basis for establishing a just peace in the region."

Earlier in the day, Mr. Levy dampened hopes of a breakthrough in his talks with Egyptian leaders on setting up a U.S.-sponsored Middle East peace conference.

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Settler stabbed in Hebron market

OCCUPIED JERUSALEM (Agencies) — Two Palestinians stabbed and wounded a Jewish settler in the occupied West Bank city of Hebron Tuesday, security sources said.

A witness told army radio that Palestinians stabbed Yuval Derech, 24, in the back while he was walking to a synagogue through the city's open-air chicken market. He was moderately wounded and taken to hospital.

The settler was studying and living at a Jewish seminary in Hebron. A small group of ultra-nationalist Jews live under heavy guard in the heart of the Arab city of Hebron.

The assailants snatched the settler's gun, security sources said. The army clamped a curfew on the city and arrested dozens of Palestinians.

Israeli troops shot dead a Palestinian in the occupied West Bank and another Palestinian said Jews had stabbed and beaten him in Jerusalem Monday, the army and Israel radio said.

Nabil Hamad, 21, was shot dead by troops near Silwad in the area of Ramallah in the West Bank, an army spokeswoman said.

Israeli police were searching for three Jews who beat and stabbed a Palestinian youth in Jerusalem Monday, Israel Radio said.

It said the youth, whose name and condition were not given, told police he was stabbed and hit with a stone by Jews.

In the Gaza Strip, military sources said three army officers were arrested after a Palestinian textile factory owner complained that they forced him at gunpoint to make out a cheque for 750,000 shekels (\$300,000).

Ziad Al Yazji, 45, told Reuters four soldiers forced him to give them the cheque at his factory just outside of Gaza City Friday evening. Mr. Yazji reported the incident to the army.

On Monday Mr. Yazji identified three of the soldiers in a lineup at the local military headquarters and they were arrested.

He said the soldiers told him he owed the money to an American businessman. There had been a dispute several years ago over \$100,000 worth of goods sold him by an American, Yazji said, but it had been settled.

(Continued on page 3)

EC urges Israel to respond positively to Arabs

BRUSSELS (Agencies) — The European Community (EC) said Monday the question of Palestinian representation at a Middle East peace conference should be settled so that the talks could be held shortly.

Community foreign ministers, meeting in Brussels, noted with satisfaction what they called the emerging consensus on a U.S. peace initiative to convene such a conference.

"They (the EC ministers) stress again the importance of overcoming final difficulties, including the question of the Palestinian representation, so that a conference to which they will make their full contribution as a participant, may now be convened shortly," a statement said.

The EC ministers were convinced that a solution to these difficulties could be found with the necessary political will and courage, it said.

The EC statement stressed the need for a reciprocal gesture from Israel after several Arab countries responded positively to a declaration by the Group of Seven industrialised countries at their London summit this month.

The statement welcomed the Arab countries' offer to suspend their trade boycott of Israel in return for a freeze by Israel on establishing Jewish settlements in the occupied territories.

The Arab League secretary-general was quoted Tuesday as saying his organisation would welcome participation in the U.S.-proposed peace conference.

"This is the right time for achieving a just peace in the

Middle East based on Israeli withdrawal from all occupied Arab territories and on the right of the Palestinian people to self-determination," Esmat Meguid told Abu Dhabi's government-guided Arabic-language daily Al Itihad.

"If the Arab League's participation in the peace conference is required, I would welcome that and would consider such participation useful within the framework of the league," Dr. Abdul Meguid said.

The six countries of the Gulf Cooperation Council, who double as members of the Arab League, earlier announced that their secretary-general, Abdullah Bishara, will attend the proposed peace conference as an observer. Dr. Abdul Meguid emphasised that Israel's response to the American proposals would determine the fate of the proposed peace conference.

"We have received information that the Israelis are now studying the American proposals and... we hope they will respond positively, and then the peace process would start with the holding of the long-delayed peace conference," he said.

The Saudi Arabian government said Monday that it was committed to finding a solution to the issue of Jerusalem on basis of U.N. resolutions.

The cabinet, at its weekly meeting chaired by King Fahd, reviewed the U.S.-led efforts for a Middle East settlement, Information Minister Ali Shaer said at the end of the session.

Islamists, centrist party boycott Algeria conference

ALGIERS (AP) — A leading centrist party Tuesday pulled out of government-sponsored talks on organising democratic elections. The main Islamic fundamentalist party also boycotted the meeting.

The Socialist Forces Front said as the multi-party conference began that it was withdrawing because the government barred journalists from attending.

The fundamentalist Islamic Salvation Front (FIS), the country's main opposition coalition, said Monday it was boycotting the meeting to protest the government's refusal to free its detained leaders and lift a state of emergency.

The top two leaders of the front were arrested last month after widespread anti-government protests left dozens dead.

In all, six of Algeria's 50 registered parties were not participating in the talks, which the government hoped would consolidate plans to hold the country's first multi-party parliamentary elections by the end of the year.

The Socialist Forces Front said in a communiqué that it joined Tuesday's conference "to carry out preparation of free and honest legislative elections at the earliest date possible."

But its representatives walked out immediately after the preliminary session with Premier Sidahmad Ghazali because journalists were not allowed in the meetings.

It also said it opposed "all practices that divide the parties

involved, support an illegitimate power and delay the lifting of the state of emergency."

The state of emergency was imposed in early June and gives police and the military wide-ranging powers of search and arrest.

The FIS had also demanded a lifting of the state of emergency, which was imposed for four months, as well as the release of its two leaders, Abassi Madani and Ali Benhadj.

Mr. Ghazali said the conference had "no undeclared goals, no hidden intentions" as oppositionists charge.

"We are here to resolve the crucial problems of our country," Mr. Ghazali said, adding that similar meetings would be held with economic, social and professional organisations.

Legislative elections had been gazetted for June 27, but were scrapped when the protests and strikes broke out with the beginning of campaigning.

Nearly 6,000 people, mostly FIS supporters, were arrested under the state of emergency, including Mr. Madani and Mr. Benhadj, who had called for a holy war to topple the government.

The front won a majority of council seats in nationwide local elections 14 months ago in the first national balloting since a ban on opposition parties was lifted in 1989.

President Chadli Benjedid's National Liberation Front (FLN) had independence from France in 1962.

Iraq's economy, squeezed by sanctions, teeters on the brink

By Nicholas Phythian
Reuters

BAGHDAD — In the gold souks of Baghdad, black-robed women sell their jewellery to buy food for their families.

Thieves prowling the streets of the capital and other cities stealing cars, breaking into homes and occasionally robbing passersby at gunpoint.

Iraq, five months after the Gulf war, appears on the verge of economic collapse.

"In Baghdad, you do not get the complete picture and it's difficult to say how long they can go on but I think that in the provinces maybe they can only last for several months," said one diplomat.

Iraq paints a more dramatic picture, saying the U.N. trade blockade, imposed within days of Iraq's Aug. 2 invasion of Kuwait, is starving its people and denying them the spares it needs to maintain supplies of power and clean drinking water.

But any easing of sanctions — Iraq wants to sell \$1.5 billion worth of oil to buy food and medicine — will only be a small step on a long road to economic recovery.

"Whatever way you look at it it's big problems for them," one diplomat said.

Iraq is a rich country, sitting astride the world's second largest known oil reserves. It was the second largest exporter before the Gulf crisis, earning some \$15 billion in 1989.

But it emerged from the Gulf war, its second major conflict since 1979, deep in debt and with much of its industrial infrastructure smashed.

The statistics make grim reading.

Iraq has debts of more than \$60 billion.

Production of oil, its economic life blood, is barely a third of its pre-war output.

Iraq's Oil Minister Usama Al Hiti said last month output would

not reach its OPEC quota of 3.2 million barrels per day until the end of 1992.

"The war has set Iraq's oil industry backwards several years," a representative of a major U.S. oil company said. "It will be a slow, agonising process for Iraq to return as a major oil producer."

Iraq's northern oilfields, which produced about 1.3 million bpd, survived the war relatively unscathed. Its southern fields suffered badly although it has said it expects to be producing one million bpd from there by December.

But a resumption of exports also depends on Iraq being able to pump or ship its oil to the world.

Turkey and Saudi Arabia have closed the pipelines through which 90 per cent of its oil passed and its Gulf oil terminals are crippled.

Mr. Hiti told the government newspaper Jumhuriya Sunday the pipeline to Turkey — which has a capacity of 1.6 million bpd — is ready for use while repairing the Saudi line is a priority.

Diplomats said Iraq, which has taken steps to renew ties with Turkey, was discussing the reopening of the pipeline. No decision has been taken.

Pumping of the oil is in turn dependent on reliable power supplies.

Iraq's Industry Minister Amer Hammoudi Al Saadi says power generation is back to almost one third of its pre-war capacity.

But a U.N. fact-finding team said Iraq urgently needs spares from abroad. "Barring this, power output can be expected to decline from now on."

Power is also the key to other industries such as cement, chlorine and textiles for export and food processing and the assembling of electrical goods under licence.

During its 1980-1988 war with Iran, Iraq was bankrolled by

Saudi Arabia, Kuwait and the United Arab Emirates, who feared the spread of Ayatollah Ruhollah Khomeini's Islamic revolution.

Its invasion and occupation of Kuwait ended any hope of such help from that quarter.

Other legacies of the Gulf crisis threaten to stifle any economic recovery.

Iraq has assets abroad estimated at \$3.5 billion but these assets, held mainly in the United States, Britain and France, are frozen.

The uncompromising Security Council ceasefire terms imposed after the Gulf war limit the money it can earn.

Some must go into special funds to pay compensation to Kuwait and other countries and to pay for the scrapping of its weapons of mass destruction.

The U.N. is also considering strict controls on Iraq's imports to prevent it acquiring such weapons in the future.

Diplomats predict a dramatic shift in Iraq's priorities.

"They will be compelled to convert their military industries as it's impossible to restore everything that was destroyed," one diplomat said.

Diplomats also predict a drive towards self-sufficiency.

Iraq, although the fertile land around the Tigris and Euphrates has fed man since the dawn of civilisation, imported 70 per cent of its food. "They have the possibility to feed themselves without any imports," one diplomat said.

Iraq also imported most of its machinery and spare parts.

But at the end of the day, its still has its oil.

"If they have nothing but oil it's enough," one diplomat said.

Foreign businessmen — anonymous men in suits who say they are visiting friends — proliferate in the lobbies and bars of the smarter hotels. "People are looking for possibilities," one diplomat said.

Talabani says he has British support for Kurdish bank

LONDON (R) — Kurdish rebel leader Jalal Talabani asked British Prime Minister John Major Tuesday to back a proposal to use part of Iraq's future oil earnings to set up an internationally-backed bank to rebuild Kurdistan.

"We asked his support... to found a bank with a share of Iraqi oil (revenue) for reparations to the Kurdish people," Mr. Talabani told a news conference after meeting Mr. Major.

Asked how Mr. Major responded, he said: "I think we got his support for our cause."

Mr. Major's office said he gave Mr. Talabani a sympathetic hearing on the proposal but made no promises.

A spokesman suggested Britain favoured a U.N. suggestion that Iraq should be allowed to sell oil under U.N. supervision with the funds used for humanitarian purposes.

Mr. Talabani said he suggested that some Iraqi assets frozen after Iraq's invasion of Kuwait last August should be released to buy food and medicine for Iraqis and Kurds suffering because of U.N. sanctions.

He said Kurdish experts estimated it would cost at least \$2 billion to rebuild 4,000 Kurdish towns and villages.

He said he asked Mr. Major for help to build camps for 600,000 homeless Kurds.

Thousands of Kurds have fled to Iraq's border with Iran fearing renewed Iraqi attacks against Kurdish fighters in Sulaimaniyah, scene of violent clashes earlier this month.

Mr. Talabani, leader of the Patriotic Union of Kurdistan, said the situation in Sulaimaniyah was under control and the clashes did not have a negative impact on autonomy talks with Baghdad.

Asked about the progress of the talks on granting the Kurds a measure of autonomy, he said the problem blocking a deal was not territory but democracy.

"In Iraqi Kurdistan we are struggling for democracy first, then Kurdish national rights within the framework of a democratic Iraq," Mr. Talabani said.

The inclusion of the oil-rich of Kirkuk, inhabited by Kurds, Turks and Arabs, in the autonomous region is one of the most complicated issues in the talks.

Mr. Talabani insisted Kirkuk was historically Kurdish but indicated the issue was not insurmountable. "I think the main problem is not Kirkuk but the question of democratisation."

Mr. Talabani, the first Kurdish rebel leader to be received by a British prime minister, thanked Mr. Major for his role in setting up so-called safe havens in northern Iraq for Kurdish refugees.

New Jewish settlement started, to be largest

OCCUPIED JERUSALEM (R) — Israel's hardline Housing Minister Ariel Sharon said Monday that work had begun on what he hoped would be the largest Jewish settlement in the occupied West Bank.

Israeli Television said Mr. Sharon told a meeting of Israeli contractors that site work began Monday for a new settlement to be called Avnef Hafez near the town of Tulikarm in the West Bank.

It said Mr. Sharon told the contractors he hoped the settlement would become the largest in the Israeli-occupied Arab territories.

The announcement came as the Middle East peace talks entered a crucial stage, with Soviet Foreign Minister Alexander Bessmertnykh warning on the eve of a U.S.-Soviet summit that to delay peace talks might create new obstacles.

It also coincided with Israeli-Egyptian talks in Cairo to find a formula for Palestinian participation in a peace conference.

The United States — waiting for an Israeli response to its proposals for Middle East peace

talks already accepted by the major Arab states involved — has said Jewish settlement in Arab lands is among the biggest obstacles to the peace process.

At present the largest of the Jewish communities in the occupied territories has some 15,000 residents. A total of 100,000 Jews live in the West Bank and Gaza Strip among 1.75 million Palestinians.

Two weeks ago Israel rejected a call from the Group of Seven industrialised nations to halt its recent settlement drive in return for an end to a 42-year-old Arab economic boycott.

Mr. Sharon also said that of construction planned for 1992, half would be in the West Bank and Gaza Strip, along Israel's pre-1967 border with the West Bank, and in occupied Jerusalem, the television said.

Israel has said it will not respond to the U.S. proposals for peace talks — accepted by Syria, Jordan, Saudi Arabia, and the Gulf states — until it is assured no representatives of the Palestine Liberation Organisation (PLO) or Jerusalem Arabs will participate.

Shanty-dwellers clash with police in Tehran

TEHRAN (Agencies) — Slum-dwellers clashed with police and municipality workers demolishing unauthorised buildings in a Tehran suburb, setting 13 vehicles on fire, an Iranian newspaper said Tuesday.

It was the second reported clash since Friday, when Salam daily said police detained 300 people during a riot in the central city of Isfahan.

Salam said police fired into the air at Baqerabad, south of Tehran, Monday to disperse the crowd of slum-dwellers who pelted several police cars with stones.

"Police backed the demolition operation, but the people who were prepared... started to fight from the first moments and set fire to 13 vehicles, including a loader, a dump truck, several pickup trucks and a jeep," the paper added.

Friday's riot started when police and the vice squad tried to arrest women violating Iran's strict Islamic dress code in a central Isfahan square.

Officials have made no comment on either incident.

Security forces fired shots into the air to break up the riot Friday, Salam reported.

The protesters chanted anti-government slogans and smashed windows in nearby banks, government offices and a movie theatre, Salam said.

It said government forces set up roadblocks in Isfahan's Enqelab (Revolution) square to arrest women wearing make-up or showing locks of hair from underneath their scarves.

Passersby infuriated at the security forces rescued the women and went on a rampage in protest, the newspaper said.

The headline daily blamed the government for relaxing strict control of the dress code, which it implied had given the people the bravado to defy it.

Since the 1979 Islamic revolution women in Iran have been required to drape a large sheet, or chador, over their heads, covering themselves down to the feet, or to wear a coat-like smock with a headscarf in public or in the company of men other than immediate family members.

Wearing make-up or showing any hair in public is against the law, and subject to imprisonment, public lashing or a fine.

Control of the dress code by security forces is relaxed, and then tightened again at random and for no apparent reason.

Since Ayatollah Ruhollah Khomeini, the hardline revolutionary patriarch, died of cancer more than two years ago, Iranians have been expecting a loosening of the social strictures he advocated.

Iranian President Hashemi Rafsanjani, a so-called pragmatist, is believed to want to relax the government's hold on society.

But any attempt to do so has left him open to attacks by Ayatollah Khomeini's hardline followers.

Abraz newspaper blamed city officials for the Baqerabad affair, saying people spurred by fears of homelessness would naturally fight back against the demolitions.

U.S. Senate bill calls for war crimes trials

WASHINGTON (R) — The U.S. Senate passed legislation Monday that calls for an international trial of Iraqi "war criminals" and sets up a special State Department office to help develop the plan.

The provision was included in a bill appropriating \$11.5 billion over two years for the State Department and other agencies. The bill passed 86-11.

It requires the U.S. government to collect evidence of crimes committed by "Gulf war criminals" and argues that the United States propose to the United Nations Security Council an international criminal tribunal to prosecute them.

A special office for the prosecution of "Gulf war criminals" would be set up at the State Department to advise the U.S.

ambassador to the United Nations and help carry out the U.S. role in any prosecution.

The bill also provides \$130 million in 1992 requested by the administration for a U.S. embassy building in Moscow but does not specify whether the present one found to be riddled with listening devices should be pulled down or partially rebuilt.

The building has remained empty and unfinished since 1985 while Congress has argued about what to do with it. The bill requires a comprehensive report on U.S. embassy needs in Moscow.

In other provisions the bill would:

— Mandate sanctions for foreign governments and individuals contributing to the proliferation of chemical and biological

weapons. The Senate approved the measure as a separate bill last May after President George Bush vetoed similar legislation last year.

— Set a framework to restrict the transfer of major weapons to the Middle East in a provision that is also part of other legislation.

— Bar the State Department from issuing passports valid for travel to Israel only a device to allow travellers to Israel also to enter Arab states which do not recognise passports validated for entry into Israel.

— Require an administration report on the activities of the Palestine Liberation Organisation, including its support for Iraq during the Gulf war and alleged efforts to open a second front against Israel.

MIDDLE EAST NEWS IN BRIEF

Iraq wants talks with Iran on soldiers

BAGHDAD (R) — Iraq wants talks with Iran on the fate of its soldiers taken prisoner during their eight-year war or missing in action, the Iraqi News Agency said Tuesday. "There should be no link between the humanitarian issue of prisoners of war (PoWs) and political issues because the feelings of their families should be considered," it quoted a Foreign Ministry source as telling the weekly magazine Alef Ba. "There are thousands of Iraqi prisoners in Iran and some have been registered and counted as missing in action," the source added. The source accused Iran of blocking the formation of a technical committee under the auspices of the International Committee of the Red Cross to investigate the fate of the PoWs and those missing in action. "Iraq is still ready to cooperate in the creation and work of such a committee," the source added. An editorial in the army newspaper Al Qadisiyah on Sunday said 30,000 Iraqi soldiers were still being held prisoners in Iran. The two countries agreed a ceasefire in 1988 after eight years. President Saddam Hussein raised the plight of the PoWs in a speech Saturday in which he attacked Iran as "a poisoned dagger" being used against Iraq.

5 Afghans sentenced to death in Pakistan

LAHORE, Pakistan (R) — A Pakistani court has sentenced five Afghans to death for setting off bombs that killed seven people and injured 41 in the Punjab province capital Lahore four years ago. Two of the Afghans are under arrest in Pakistan and three others were convicted in their absence, court officials said. They were charged with setting off bombs at the Lahore railway station and a nearby taxi stand in July 1987. Pakistan blames the government in neighbouring Afghanistan for a series of bomb explosions in recent years. Kabul denies the charge.

Mauritania announces amnesty

NOUAKCHOTT (R) — Leaders of a Mauritanian opposition group suspected of instigating anti-government riots last year were granted amnesty under a decree announced Monday. The government decreed eight members of the United Democratic Front of Forces for Change (FDUC) who had been held under house arrest. They included interior minister, Djibril Ould Abdallahi. Their arrest had been one of the reasons why human rights organisations charged Mauritania with having one of Africa's worst records, with human rights violations apparently directed mostly at members of black ethnic groups.

Ethiopian parliament approves premier

ADDIS ABABA (R) — Ethiopia's new national assembly has approved the appointment of former guerrilla chief Taimrat Layne as prime minister in a transitional government, the state-run Ethiopian News Agency (ENA) said. The council unanimously elected Mr. Taimrat, a member of the Ethiopian People's Revolutionary Democratic Front (EPRDF), which ousted former dictator Mengistu Haile Mariam in May, ENA said late Monday. Last week, EPRDF leader Meles Zenawi was endorsed as president of the new government that will rule until multi-party elections scheduled for 1993.

Guerrillas demand ransom for two Americans

PESHAWAR (AP) — Pro-Iranian guerrillas are demanding one million rupees (\$50,000) for the release of two American aid workers held hostage in Afghanistan, diplomatic sources said Tuesday. The two Americans were kidnapped July 7 by the small, relatively unknown guerrilla group Nahazat Islami, (Islamic movement). The group has been armed and supported by Tehran during the 13-year-old war between the guerrillas and the government of Afghanistan. The U.S. embassy in Islamabad has refused to release the hostages' names, citing their right to privacy. The pair was working on an animal husbandry project in southern Ghazni province for Global Partners, a British-based Evangelical Christian group. Western diplomatic sources, speaking on condition of anonymity, said Nahazat commanders were demanding 500,000 rupees (\$25,000) for each before they would free their hostages. The sources refused to say how the demand was made.

U.N. cuts aid to Afghanistan

GENEVA (R) — The United Nations has slashed its budget for reviving war-ravaged Afghanistan by \$31 million and scaled down programmes there because of lack of funds, a senior U.N. official said Tuesday. Fifty-seven projects including programmes to reinvigorate agriculture, immunise children and improve education and nutrition had been either scrapped or cut back. "The international community has become increasingly immune to the war in Afghanistan and the suffering of its people," Benon Sevan, coordinator of the U.N. programme for Afghanistan said in a statement. He said this was because there was no immediate end in sight to the Afghan conflict and there were compelling humanitarian needs elsewhere. Cash requirements for the 1991 aid programme had originally been set at \$136 million but had been cut to \$105 million. Mr. Sevan said major donor countries had indicated they would not commit substantial new funds for Afghanistan until there was progress towards a peaceful settlement. Mr. Sevan urged them to reconsider, because every day's delay could imperil the health, safety and lives of Afghans.

Peruvian to run Gulf reparations panel

UNITED NATIONS (R) — A Peruvian diplomat, Carlos Alzamora, was named Monday as executive secretary of the U.N. compensation commission set up to administer a Gulf war reparations fund. The fund, into which a proportion of Iraq's future oil revenues are to be paid, will receive claims from governments, companies and individuals for losses suffered as a result of Iraq's invasion of Kuwait. The commission's principal organ is a Geneva-based governing council with the same membership as the 15-nation Security Council. Mr. Alzamora, 65, was Peru's under-secretary for economic affairs between 1970 and 1971. He later served as his country's representative to the U.N. office in Geneva, until 1975, followed by two terms as Peru's U.N. representative in New York, from 1975 to 1979 and again from 1985 to 1989. He was most recently a consultant to the secretary-general of the U.N. Conference on Environment and Development.

Bessmertnykh: Recognition of Israel could come soon

MOSCOW (R) — Soviet Foreign Minister Alexander Bessmertnykh hinted Tuesday that quick recognition of Israel by Moscow depends on success in convening a Middle East peace conference.

He was asked by reporters at the U.S.-Soviet summit when the Kremlin would resume diplomatic relations with Israel after a 24-year break.

As he went into talks with U.S. Secretary of State James Baker in Moscow he replied: "It may go along with this peace conference proposal, it may be very close to realisation."

Mr. Baker, in Moscow for U.S. President George Bush's summit with Soviet leader Mikhail Gorbachev, did not comment.

In what many see as the best hope for years of ending the Arab-Israeli conflict, Mr. Baker has lined up the support of five Arab states for a conference. He is waiting for Israel to agree too.

Mr. Baker spoke by telephone with Israeli leaders Tuesday morning, U.S. officials said, but declined to give any details.

But in Cairo, Israeli Foreign Minister David Levy dampened hopes of a breakthrough in talks with Egyptian leaders in setting up a U.S.-sponsored peace conference for the region.

Egypt, the sole Arab state to sign a peace treaty with Israel, wants the Jewish state to compromise on issues blocking a conference, including the question of who will represent the Palestinians.

Mr. Bessmertnykh threw the

Kremlin's weight into the initiative Monday, saying that a conference should be held before the end of the year if the opportunity was not to be lost.

He also raised the prospect that he and Mr. Baker would make a joint trip to the region, though U.S. officials seemed less enthusiastic about that idea.

The officials indicated that there was continuing planning for Mr. Baker to return to the Middle East — he has already made five trips since the Gulf war ended in February.

Moscow broke off diplomatic relations in 1967 during the Middle East war and became a champion of the Palestinian and Arab states' cause.

Last May 9 Mr. Bessmertnykh became the most senior Soviet official to visit Israel since the Jewish state was founded in 1948. Consular relations were restored last year and Israeli ministers have been to the Soviet Union. But full diplomatic ties remain suspended.

As co-sponsor of any Middle East conference and long-standing supporter of many Arab states, Moscow has an important role to play in the peace process.

Pravda, daily newspaper of Mr. Gorbachev's Communist Party, gave a favourable assessment on Tuesday of the "Bush plan" and even found kind words for Israeli Prime Minister Yitzhak Shamir's reaction to it.

It said Soviet diplomacy was beginning to avoid the traps set by its own "dogmas and stereotypes from the 1960s."



Alexander Bessmertnykh

"It has long been time to talk to all the countries of the Middle East without any exception," it said.

The commentary also criticised the Palestine Liberation Organisation (PLO) which supported Iraq in the Gulf crisis over the invasion of Kuwait last August.

"The Palestinians, having miscalculated badly by their uninhibited 'romance' with Baghdad, patently need new ideas, a new assessment of the interests of the different Palestinian groups," it said.

"Israel, it seems, is beginning to search for a thread which could lead it and its Arab neighbours out of the deadly Middle East labyrinth."

JORDAN TIMES DAILY GUIDE AND CALENDAR

NIGHT DUTY

AMMAN:
Dr. Fakhr Al Bileisi 663412
Dr. Youssef Al Fajil 679909
Dr. Mohammad Abbadi 778959
Dr. Issam Al Ammar 890504
Firas Pharmacy 661912
Fendous pharmacy 718336
Al Asana pharmacy 637055
Nairoukh pharmacy 626762
Al Salana pharmacy 636730
Yacoub pharmacy 640495
Shamsi pharmacy 637600

IRBID:
Dr. Muntashir al Sheikh salem (—)
Al Shara's pharmacy (275825)

ZARQA:
Dr. Randa Shaha (—)
Khalifeh pharmacy 985417

EMERGENCIES

Food Control Centre 637111
Civil Defence Department 661111

Civil Defence Immediate

Rescue 630341
Civil Defence Emergency 199
Fire Brigade 891228
Blood Bank 775121
Highway Police 843402
Traffic Police 890390
Public Security Department 630321
Hotel Complaints 630800
Price Complaints 661176
Water and Sewerage 897467
Consulate 771013
Ammann Municipality 787111
Telephone Information (directory assistance) 121
Overseas Calls 010230
Central Amman Telephone 815615
Repairs 623101
Ammann Telephone Repairs 661101
Jordan Television 771111
Radio Jordan 774111
Water Authority 680100
Jordan Electricity Authority 815615
Electric Power 636381
Company 636381
RJ Flight Information 08-53200
Queen Alia Intl. Airport 08-53200

HOSPITALS

AMMAN:
Hussein Medical Centre 813813/32
Khafid Maternity, J. Amn 644281/6
Akhef Maternity, J. Amn 642411/2
Jabal Amman Maternity 642362
Madhas, J. Amman 636140
Palestine, Shamsani 664171/4
Shamsani Hospital 669131
University Hospital 845845
Al-Muashar Hospital 667227/9
The Islamic, Abdali 666127/37
Al-Ahli, Abdali 664164/6
Al-Bashir, J. Ashrafieh 771013
Army, Marka 891611/15
Queen Alia Hospital 602240/50
Aral Hospital 674155

Zarqa Govt. Hospital (09)983323
Zarqa National Hospital (09)800560
Ibn Sina Hospital (09)985732
IRBID:
Princess Basma Hospital (02)275555
Greek Catholic Hospital (02)272275
St. John's Hospital (02)247100
AQABA:
Princess Haya Hospital (03)314111

FOR THE TRAVELLER

QUEEN ALIA INTERNATIONAL AIRPORT

This information is supplied by Royal Jordanian (RJ) information department at the Queen Alia International Airport Tel. (06)5200-5, where it should always be verified.

ARRIVALS

Royal Jordanian (RJ) Flights (Terminal 1)

10:00 Damascus (RJ)
10:30 Jeddah (RJ)
10:40 Larana (RJ)
10:45 Dubai, Abu Dhabi (RJ)
11:00 Doha, Bahrain (RJ)
11:30 Madrid (RJ)
12:00 New York, Amsterdam (RJ)
12:00 Cairo (RJ)
12:05 London (RJ)
12:25 London (RJ)
12:30 Paris, Geneva (RJ)

19:25 Frankfurt, Vienna (RJ)
20:45 Rome (RJ)

Other Flights (Terminal 2)

13:00 Senaa (TV)
13:20 Cairo (MS)
15:00 Benghazi (LN)
22:40 Paris (AF)

DEPARTURES

House reviews laws

AMMAN (Petra) — The Lower House of Parliament meets here today to discuss a number of decisions taken by the House's Legal Committee.

The decisions cover a number of laws, including a law on protecting the national economy, and other laws related to the lifting of martial law.

The session will be attended by the prime minister and Cabinet ministers.

The Lower House's Legal Committee also convenes to continue discussion of the revised state security court law for the year 1991 and the Higher Court of Justice's provisional law No. 11 for the year 1989.

The Upper House met Tuesday and discussed a number of laws including the defence law for the year 1990 and a provisional law for the Central Bank of Jordan.

The meeting was attended by the prime minister and Cabinet ministers.

A lengthy debate took place about the defence law and the Legal Committee's decisions on a number of revised laws referred to it.

The House decided to refer the defence law to the Higher Council for the Interpretation of the Constitution to discuss the legality of Parliament's interference with the law.

The House also approved a provisional law amending the Central Bank of Jordan law after inserting an amendment to paragraph C of article 3. Under the new amendment, the CBJ has the right to request any licensed bank not to publish its final yearly accounts and not to take any decision on distributing profits of shares before obtaining the approval of the CBJ.

Jordan, Iraq reach border issues agreement

AMMAN (J.T.) — Jordan and Iraq have reached agreement over border issues and crossings by nationals from either side, and on matters related to grazing of animals by local farmers.

The agreement, which followed several days of talks between the two sides through Al Anbar Governor Jassem Mohammad Al Rakabi and the Governor of the Mafraq region, Mahmoud Al Sari, was in implementation of a protocol signed by the two countries in March 1984, according to the Jordan News Agency, Petra.

Under the agreement, the two sides will take measures to organise freedom of travel and deal with matters related to border issues between Iraq and Jordan.

The common border witnessed a massive influx of Iraqis into Jordan. It began in May of this year when the Iraqi government allowed citizens to leave the country after a ban that lasted for 10 years.

The common border also witnessed an influx of foreign work-

ers, mostly from Asia, who had fled Kuwait following the outbreak of the Gulf crisis and during the war.

Mr. Rakabi, had a meeting earlier with Interior Minister Jawdat Esboul and a series of meetings with Mr. Sari.

According to informed sources here, the Iraqi government was planning to introduce new measures to restrict the influx of Iraq travellers across the border. The sources said that the Iraqi decision was conveyed to the Jordanian government by Mr. Rakabi who ended a few days visit to Jordan Monday and left for home.

No precise figure is available on the number of Iraqis who travelled to Jordan since mid-May. Independent sources put the figure of Iraqis still in Jordan at 50,000.

Following his talks with Mr. Sari, Mr. Rakabi visited a cemetery in Mafraq, where martyrs of the Iraqi army are buried, and laid wreaths on the tombs.

Workshop tackles bio-gas technologies, applications

AMMAN (Petra) — A training workshop on bio-gas technologies will be held in Damascus Saturday.

The month-long training course, organised by the Economic and Social Commission of Western Asia (ESWCA) in cooperation with the Syrian Ministry of Agriculture and Agricultural Reform, includes intensive lectures on bio-gas technologies and applications on the construction of bio-gas units.

The workshop is being carried out as part of programme aimed at developing new and renewable sources of energy in the Western Asia region.

The programme will be carried

out by ESWCA and other international partners, including the United Nations Development Fund.

ESCWA Executive Secretary Tayseer Abdul Jaber stressed the importance of this method in producing energy.

He emphasised that the exploitation of bio-gas masses, through the use of bio-gas units, not only contributes to finding new sources of energy but also helps to minimise negative environmental and health effects.

Taking part in the course are representatives from Jordan, Yemen, the Sultanate of Oman, Egypt and Syria.

USAID grants Jordan \$27m worth of feed grain

By Nidal M. Ibrahim
Special to the Jordan Times

AMMAN — U.S. Ambassador Roger Harrison and Minister of Planning Ziad Fariz Tuesday signed an agreement that will provide Jordan with 241,000 tonnes of feed grain for poultry and livestock.

The signing of the agreement was the culmination of a process that began in Washington, D.C., where the Jordanian ambassador to the U.S., Said Hammami, and U.S. Department of Agriculture officials worked on the details of the grant.

The first shipment of animal feed is expected to arrive in Jordan in September.

The 241,000 tonnes of feed grain represents about 37 per cent of Jordan's need for 1991, said Jim Dempsey, acting director of the United States Agency for International Development

(USAID). The U.S. estimates that Jordan needs about 650,000 tonnes of feed grain per year, he said.

"The feed grain (supply in Jordan) is not dangerously low now but there is some shortage of feed grain because it's been dry in the northern regions (of the Kingdom)," Mr. Dempsey said.

The 1991 grant, valued at \$27 million, is given for the third consecutive year by the U.S. The United States provided the Kingdom with about 250,000 tonnes and 300,000 tonnes of feed grain in 1989 and 1990, respectively, Mr. Dempsey said.

"We are certainly hopeful that next year this (programme) will be continued," he said.

The grant is given directly to the Jordanian government, Mr. Dempsey said. The feed grain is then sold to poultry and livestock farmers at below market prices, he said. Money from the sale is used in the budget for the follow-

ing year.

"We ask that they put (the money) in things that will help the nutrition of the poor," Mr. Dempsey said.

In addition to Jordan, feed grain is also provided to Egypt, under the Section 416 Programme of the U.S. Farm Bill.

Mr. Dempsey said the programme represented the continuing improvement of ties between Jordan and the United States in the aftermath of the Gulf war.

Washington, upset at what it viewed as Jordan's pro-Iraq stance during the crisis, halted \$57 million worth of aid to the Kingdom.

"The time has come that we have to look beyond the Gulf war," Mr. Dempsey said.

As with all USAID programmes, the \$27 million grant was in response to a request for assistance by Jordan, Mr. Dempsey added.

Tenders for steel foundry relaunched

By a Jordan Times Staff Reporter

AMMAN — A five-year-old proposal to set up a steel foundry near Irbid is expected to take off before the end of the year after financial problems and shifting realities of the Jordanian economy caused delays and a major scaling down of the venture.

The Arab Engineering Industries Company (AEIC), owners of the project, has floated tenders after having twice cancelled letters of intent given to European contractors. This time the deadline for the submission of offers is October.

According to Ali Obeidat, general manager of the AEIC, original plans drawn up in 1987 called for an annual production capacity of 10,000 to 11,000 tonnes of "wear and heat-resistant" steel castings and spare parts for cement plants, stone-crushers and earth-moving equipment, for the first time in Jordan.

"After several stages of consideration, including government studies of underwriting loans for the project, the production capacity was scaled down to 8,000 and the project was tendered. Subsequently a letter of intent was issued to a German company, in early 1989.

The dramatic decline in the value of the dinar forced the company to cancel the letter of

intent and refloat tenders with a further reduction in output scope to 5,000 tonnes. A fresh letter of intent was issued to a British company, which was supposed to incorporate and tie up British government financing of 35 per cent of the project cost of £17.2 million (JD 18.92 million).

Mr. Obeidat said the British company could not tie up the British financing and a deadline set by the AEIC passed in March this year without conclusion, forcing the project owners to invite fresh bids but again after a further scaling down of the production capacity to 2,800 tonnes.

"We have also invited financing offers along with the bids to supply equipment," Mr. Obeidat told the Jordan Times. "We are keeping all our options open," including an already secured loan worth \$11.6 million from the Islamic Development Bank, he said.

"Our invitation (for bids) is open to all," he said. "It is not limited to those who were pre-qualified earlier."

Reports have said that the British Overseas Development Administration, which originally offered the 35 per cent financing, is still interested in the project.

Present plans call for an initial production capacity of 2,800 tonnes — with one production line as opposed to the three originally

envisaged — with scope for expansion as and when warranted. The original tender documents were modified by the local staff of the AEIC, which will retain the supervisory and consultancy services of Britain's Foundry Management and Design who prepared the first designs of the project.

The AEIC has already prepared the premises and infrastructure services for the foundry on a 120-dunum plot near Irbid at a cost of JD 700,000.

According to Mr. Obeidat, the plant will employ between 250 and 300 skilled and semi-skilled people.

Mr. Obeidat did not give any close estimate of the cost of the project. "It could be anywhere between \$10 million and \$25 million depending on the origin of the equipment we opt for," he said.

The Arab Engineering Industries Company is partly government owned; the Social Security Corporation holds 25 per cent of the shares of the public shareholding company while the Jordan Investment Corporation, another government agency, owns 15 per cent.

Roads claim 11 in a week

AMMAN (J.T.) — Eleven citizens were killed and 169 others were injured in 449 road accidents in Jordan between July 20 and 27, according to a statistical bulletin issued Tuesday by the Public Security Department (PSD).

The number of deaths increased by eight over the previous week's statistics while the number of injured dropped by 29, the bulletin said.

Amman had most accidents, totalling 280, followed by Irbid with 55.

Minister: Government keen on restructuring economy

AMMAN (J.T.) — The Jordanian government is keen on implementing the economic restructuring programme, that had been agreed on with the World Bank and the International Monetary Fund (IMF), to help Jordan develop its industry, agriculture and increase its exports, Minister of Trade, Industry and Supply Ali Abul Ragheb said Tuesday.

"The government has already embarked on a number of measures that would help it implement the programme and the ministry of Trade, Industry and Supply has worked out a detailed plan to help the World Bank and IMF teams carry out their missions in the country," the minister said at a meeting with a visiting World Bank team.

The ministry has worked out a programme by which the team members would visit the various production sites over the coming two weeks and discuss with government officials and businessmen matters related to exports and industry, the minister said.

Mr. Abul Ragheb expressed the Jordanian government's wish to benefit from successful experiences carried out by other coun-



Ali Abul Ragheb

tries in implementing economic restructuring programmes and also from the team's ideas and views in this respect.

In May of this year, an IMF team visited Jordan to pave the way for talks on the implementation of the programme in the wake of the Gulf crisis which had its adverse effects on the Kingdom.

Jordan has since stopped settling its debts to other countries

and banks as Prime Minister Taher Masri has said in his statement to parliament. He said that the repayment of the country's debts was postponed until further notice.

The IMF team met the governor of the Central Bank of Jordan in May and discussed matters related to the programme and debt servicing. It noted that they were satisfied with the country's economic performance under the circumstances.

Jordan, which is indebted to foreign countries and banks by \$8.2 billion, had reached agreements with the bank creditors, grouped in the London Club, on rescheduling terms of payment. It also reached agreement with the Paris Club, of government creditors.

The World Bank team had arrived here last Sunday on a two-week visit to Jordan. According to the Jordan News Agency, Petra, the team members will concentrate their work on Jordan's exports development, the development of industry and investments, technical and financial assistance to the Kingdom from the World Bank and related matters.

Italian peace team seeks to ease Palestinians' plight

By Nur Sati

Special to the Jordan Times

AMMAN — Trade unionist Luisa Morgantini, who is also a member of the Peace Association in Italy, arrived in Amman earlier this week with eight other members of the association.

The group of women has for a long time committed itself to finding solutions to the Middle East conflict, primarily to support Palestinian self-determination.

"We get a lot of support for our cause back at home," said Ms. Morgantini.

Now the group has come into Jordan to seek means of communications with women of Jordan and Palestine. "We feel this can be a bridge to overcoming the violence and oppression imposed by the Israelis on the Palestinians," she said.

The group is particularly interested in women because, as Ms. Morgantini pointed out, historically, women have been excluded from wars and are more interested in the daily life. "We are more sensitive towards the usefulness (in human terms) of war," she continued. "We find among women the possibility of communication."

The Italian guests which are staying in Amman for two weeks, will visit refugee camps to talk about the situation and help people there launch development schemes "because economic independence is important for the emancipation of women from oppression," Ms. Morgantini said. Meanwhile, a similar group

of 20 women headed for the West Bank.

The group's next plans are to go to Iraq and then Algeria to try to build and expand their mission.

Ms. Morgantini's involvement in the peace association began in the horrific camp wars of Burj Al Barajneh in 1985. "We were a small group of women who said enough is enough. We felt it was time to do something," she said.

The women come from different walks of life but had one common interest: "To be able to overcome the necessity of violence, we have to have human rights," Ms. Morgantini said.

In 1988 in Jerusalem Ms. Morgantini organised 68 women to demonstrate in solidarity with the Women in Black group. The Women in Black includes about seven different women's groups. All believe in one common goal: They are all against the occupation, they believe in direct peace negotiations with the PLO and in a two-state solution. Every Friday, Palestinian, international and Israeli women silently demonstrate against the occupation. This is done in over 25 areas throughout Israel.

In 1989, the peace association organised a demonstration in Jerusalem in which 1,300 Europeans, including 930 Italians, formed a human chain. "We made a big impact at the time because we were so many Europeans," according to Ms. Morgantini. "I know that it is difficult to change the policies of our governments or any govern-

ment," she continued, "but I think as people, we need to have hope. I think we can find a way to communicate between us and the government and I think we can change something if we are together, raising our voices."

She added: "Maybe we do not have the force, but I think we have to react. We should react. If you look at history, people have changed things."

When the Gulf war erupted, the peace association demonstrated relentlessly, according to Ms. Morgantini. "During this war we felt very bad," she said. "It was not like any other war. It was not about supporting the struggle for liberation. I was appalled to see that so many people were fascinated by this brilliant operation of computer work. It was all unreal."

As a result of Italy's participation in the war, the group stubbornly dressed in black and silently demonstrated outside the Italian parliament. "This is when we thought to develop our relationship with the Arab World," Ms. Morgantini told the Jordan Times.

The group plans to visit other Arab countries, such as Tunisia and Egypt. Although the two cultures differ, the women feel that there is a common ground between them.

After the trip around the region, the association intends to write articles and make interviews in the hope that through communications the two ends of the road will merge.

HOME NEWS IN BRIEF

Yemeni delegation arrives

IBRID (Petra) — Yarmouk University President Ali Mahafza Tuesday met with a teacher delegation from Sanaa University in Yemen, and discussed with them relations between the two universities. Dr. Mahafza stressed the importance of enhancing relations between the two universities, exchanging expertise and undertaking joint scientific research. Sanaa University President Abdullah Al Makaleh emphasised the importance of strengthening bilateral relations. The meeting was attended by the Yarmouk University vice-presidents for administrative and academic affairs and the cultural advisor at the Yemeni Embassy in Amman.

Symposium tackles export promotion

AMMAN (J.T.) — A one-day symposium on promotion of exports to new markets will be held at the Amman Chamber of Industry Thursday. The course, organised by the chamber in cooperation with the World Bank, includes a lecture by a World Bank expert on strategies of export and a review of the experiences of some countries in the promotion of exports and tapping new markets. The symposium will be attended by a large number of people, representing the Jordanian industrial and economic sectors.

Management courses to be held

AMMAN (Petra) — Two courses in higher and middle management will be held at the Jordanian Exporters Society for directors of various institutions and establishments. An official source at the society said the higher management course would start on Aug. 17 and last for three days. The five-day middle management course will start Sept. 7. The source said participants in the two courses would discuss ways to increase Jordanian exports and would get familiarised with new markets for Jordanian industrial products.

PSF depositors increase over last year

AMMAN (Petra) — The Postal Saving Fund (PSF) has attracted more than 267,000 depositors until the end of June 1991, compared to 260,000 depositors during last year, according to PSF Director General Abdullah Al Jazi. He said that the fund was able to achieve an increase in its revenues over the last two years. Mr. Al Jazi said that the government had formed a committee to work out a plan for activating the role of the fund and enable it achieve its social and economic goals and to promote awareness about savings. He added that the committee had made a number of recommendations to strengthen the fund's role, including a recommendation to raise the minimum amount necessary to open an account from 250 fils to one dinar, in view of the high cost of opening accounts.

Car licence cards to be replaced

AMMAN (Petra) — The Licensing Department will issue new car books to all cars operating in Jordan to replace the current car license card. The new measure will take effect Thursday. The Licensing Department called on citizens wishing to register their new cars or to renew the licences of their cars to bring in their passports, family registration books or identity cards. The purpose of producing such documents is to enable the department to enter all necessary data on computer to avoid any problems resulting from resemblance of names.

Centre issues statistics on workforce

AMMAN (Petra) — The Researches, Studies and Information Centre at Amman Chamber of Industry has issued a statistical study on the workforce in Jordan. The study includes the most significant aspects of the workforce in the industrial sector, the number of industrial establishments in Jordan and the distribution of workers. The department has prepared another study on the consumption of water in factories as well as a statistical analysis of Jordanian exports during the first quarter of this year.

CDD to get equipment

TAFLEH (Petra) — Director General of the Civil Defence Department (CDD) Major General Afif Al Ghol said Tuesday CDD had a plan for supplying the civil defence and emergency centres with needed equipment to protect citizen's lives and property from accidents and natural disasters. Maj. Gen. Ghol, who toured Basra, Al Hasa and Tafleah areas in south Jordan Tuesday said the department would provide facilities for the Tafleah Civil Defence Department before the end of the current year. He added that a building for the Civil Defence Department in Wadi Musa would also be constructed. Maj. Gen. Ghol met with Tafleah Governor Khalid Al Bawaliz and discussed with him issues related to the development of the civil defence work in the governorate.

Mobile exhibition to be held in Sweimeh

NORTH SHUNEH (Petra) — A mobile exhibition of biology and science will be held in Sweimeh village Wednesday. The exhibition, which is organised by the Haya Cultural Centre and the Noor Al Hussein Foundation, will be displaying educational items on agriculture, electricity, health, culture, environment and archaeology.

Iraqi artists to display at Alia Art Gallery

AMMAN (J.T.) — An exhibition of paintings and ceramics by Iraqi artists Ibrahim Rashid and Maha Abdul Karim will be inaugurated Thursday at Alia Art Gallery. The exhibition, to be opened by Youth Minister Saleh Isheidar, will last until Aug. 8.

Settler stabbed in Hebron

(Continued from page 1)

Israel Radio speculated the soldiers might have been working for a Tel Aviv debt collector. The army confirmed that several soldiers were arrested but refused to give details.

In the Sheikh Radwan neighbourhood of Gaza City, troops shot and wounded a nine-year-old Palestinian boy during clashes, Palestinian sources said. A curfew was imposed on the neighbourhood, they said.

In Qalandia refugee camp near Ramallah in the West Bank, troops shot and wounded Palestinian who they said attacked them with an axe, the radio said.

The body of a Palestinian suspected of informing was found stabbed to death Tuesday in the Gaza Strip.

The body of Ahmad Abu Hayia, 42, was found in an orange grove near his village of Beni Subella, the army and Arab reports said.

Abu Hayia disappeared three days ago when masked activists kidnapped him on suspicion of collaborating with the Israelis, Arab reports said.

Islamic fundamentalists in the Gaza Strip said they did not intend to kill a Palestinian they clubbed to death for selling Israeli water melons.

The Islamic Resistance Movement (HAMAS), in an statement obtained by Reuters Tuesday, said the beating was supposed to serve as a warning to Jafar Jafar, who died of his injuries two weeks ago.

"We warned him (not to sell the fruit) many times and he ignored our warnings and we had to stop him. That's why one of our groups went to his home just to deter him, not to kill him," the Hamas leaflet said.

"But the will of God made him die the next day... he was killed by mistake."

The two groups leading the uprising — Hamas and the United National Leadership — have never previously admitted making a mistake.

A Hamas strike force abducted Jafar, 32, from his house in Gaza City July 13. He died the next day in hospital.

The killing outraged Jafar's friends and family, residents said. They were seen chasing Hamas activists out of their neighbourhood shortly after the attack.

The family then released a statement circulated in local mosques which asked Hamas to justify the killing and take responsibility.

Israel said Tuesday allegations by Amnesty International that it tortured and mistreated Palestinian prisoners were fabricated and witnesses had lied for personal or political motives.

The human rights group said in a report released on Tuesday prison inmates were regularly hooded with dirty sacks and deprived of food or sleep, usually by being shackled in painful positions while held in solitary confinement.

"In its allegations of torture, Amnesty International disregards the reality that individuals, tried or convicted, often have both personal and political motives for exaggerating or fabricating tales to justify their own actions or embarrass the government," the Israeli justice ministry said in a statement.

Amnesty's 30-page report, which took several years to prepare, said prisoners were frequently beaten all over their bodies, including on their genitals.

PLO works on consensus

(Continued from page 1)

"It will show if the new world order means imposing international legitimacy or imposing a selective legitimacy," he said.

The PLO has sent a letter to Soviet President Mikhail Gorbachev outlining the PLO position on the proposed talks.

Mr. Milhem would not reveal the contents of the letter, but he said that the PLO had in principle agreed to joint Jordanian-Palestinian delegation at the proposed talks, but it expected a formal invitation.

"Everyone under the face of the sun has received an invitation to these proposed talks except the Palestinians. That is rather curious," Mr. Milhem told the Jordan Times.

The main points on which Palestinian hesitation about the talks hinge, according to Mr. Milhem are:

— The Palestinians have yet to be invited;

— The intransigence on the part of Israel on the issue of Jerusalem;

— The insistence of the Israelis that Arabs from East Jerusalem may not participate in the talks as part of a Palestinian delegation;

— The absolute rejection on the part of Israel of the PLO as a negotiating partner; and

— The rejection of the Israelis of the principle of land for peace.

"If no one plans to change Israel's mind on any of these issues," Mr. Milhem said, "then the Israelis will continue to entrench their presence on the occupied territories and a real and lasting peace will be more light years away than it has ever been."

Mr. Milhem said the PLO was awaiting an invitation to the peace talks. "For the Palestinians

there is no peace until they are invited to participate. Not to invite us would mean that the concerned parties do not want peace with us," Mr. Milhem said.

Agencies add: PLO Chairman Yasser Arafat has apparently rejected an appeal by Saudi Arabia's King Fahd to compromise on Palestinian representation in the proposed peace talks, Palestinian officials said Tuesday.

Mr. Arafat was said to have "spoken with contempt" about the King's appeal, contained in a letter which hinted at a Saudi desire to improve relations with the PLO soured during the Gulf crisis.

The officials said the letter was the first from King Fahd to the PLO leader in several months. The king has asked financial support to the organisation.

"King Fahd told Abu Amr (Mr. Arafat) that you have to accept that Palestinians be included in a sub-listed delegation (with Jordan) as the only way to get the peace process going," an official from the PFLP said.

He said Mr. Arafat revealed details of the message during a meeting in Tunis on July 15 of the PLO's Executive Committee.

Asked about Mr. Arafat's response, the PFLP official, who declined to be named said: "He spoke about Fahd's message with contempt. He said 'this is what we now get from the Arab brothers.'"

Another official from the DFLP said the letter was part of what he called the "carrot and stick" approach to persuade the PLO to soften its stance on the talks.

"The Saudis are indirectly telling Arafat that if you agree, we will open a dialogue and perhaps resume financial support," the DFLP official said.

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Pride in the wings

IN HIS letter of appointment to Prime Minister Taher Masri, His Majesty King Hussein, the Supreme Commander of the Armed Forces, said he had given orders to "reorganise the Armed Forces emphasising quality and balance rather than quantity to make them more professional and capable." Knowing the Jordanian military and their love and loyalty to their supreme commander, the King's orders will have been translated and put into effect already. The question that raises itself, however, is whether the same process be applied to our civil service and servants. Could or would anyone issue orders that the civil service be "reorganised emphasising quality — rather than quantity to make it more professional and capable?"

In his policy statement to the Lower House of Parliament, Mr. Masri said: "The government realises that public administration requires constant improvement and modernisation" but that the government faces difficulties in any attempts to streamline the public sector. Ministers have been talking about constraints of "tradition," "tribalism," "employment" and "regulations" as factors that limit any attempt to reform the bureaucracy of government. This is nonsense. If we are determined to pursue true democracy and true economic and political reforms then we have to start at our central "nervous" system: Public administration. This country, like any country in the world, will never function as it should, let alone attain ambitious goals, unless the executive branch of government is made dynamic rather than sluggish, skilled rather than incompetent and efficient rather than wasteful. We agree that this cannot be made by decrees, but rather by serious work sifting through the mountains of rules and regulations that limit the sector's proper functioning and stifle efficient management and production. It also requires boldness and statesmanship when addressing personnel, especially department heads who more often than not won their jobs as a result of their tribal and economic affiliations rather than because of their competence and management skills.

Many department heads, it is well known, only fill their positions for prestige and not as the case should be out of eagerness to offer their services to society. Many of these departments stagnate and wither under those director-generals and chiefs. Without belittling whatever feats this government might manage to achieve, civil service should be its major challenge. If it succeeds in reforming public administration, Mr. Masri and his colleagues would leave their imprint on Jordan for generations to come. If this could be done, it alone is capable of providing the sense of pride and achievement that every member of the Cabinet should aspire to. If the idea, on the other hand, is to play it safe... well, it will be Jordan and the Jordanians who will continue to pay the price.

ARABIC PRESS COMMENTARIES

THE continued economic embargo on Iraq coupled with the silence on the part of the Arab regimes are two crimes requiring condemnation because they are directed against the lives of 18 million people, said Al Ra'i Arabic daily Tuesday. The paper said as much as it is a crime perpetrated and implemented by the U.S. alliance against the Iraqis as much as it is a crime by those Arabs aligning themselves behind the U.S. and the Arab League which has not yet done anything to end the injustice. History will not forgive the U.S. Britain and France for their atrocities against humanity nor will history forget the Arab regimes which are helping the aggressors and those with hands stained with blood, said the paper. This continued embargo on Iraq is a crime unprecedented in history and one that gives clear indication to the countries of the Third World that the Western alliance is bent on punishing any of them any time with the same degree of atrocity. This insistence on the part of the Western alliance to pursue the acts of crimes against the Iraqi people, can only manifest the depth of the hatred and the malice they harbour against the Arab and Islamic countries, the paper added. It is indeed surprising to hear the Western countries speaking about human rights and justice at a time when it is showing its total hostility towards other nations now exposed to starvation, diseases and extermination, the paper said.

All American wishes and Washington's drive to secure a favourable reply from the Israeli government before the U.S.-Soviet summit, have gone in vain, said Al Dastour. The summit is now under way in Moscow without the Israeli reply to Washington's peace bid and without any sign that the Israeli government has softened its stand, the paper noted. Israel's failure to send a reply in time shows that it is still determined to escape any pressure that might be imposed by the U.S.-Soviet summit and a desire not to commit the Jewish state to any pledge or promise to take part in a peace conference or offer concessions to the Arabs, the paper said. We believe that the U.S.-Soviet summit ought to find some sort of reply to such intransigent stand and embark on a meaningful steps leading to the peace conference and a subsequent settlement of the Arab-Israeli conflict, said the paper. If the Soviets and the Americans are really oriented to settle this regional problem and establish peace and security in the region, they should not lose this opportunity, the paper added. It said that the Arabs do not expect miracles to come out of this summit, but at least some kind of firm action that would open the door for peace.

Economic Forum

Economic policies between tactics and strategy

IT is my impression that the Jordanian economy is transitioning into a new era replete with promising prospects. The economic policy should also undergo a parallel transition if a better economic future for the country is to be forged. In terms of good faith, there is every reason to believe that the economic team in the new government will make every possible effort to devise policies capable of effecting the necessary transition. But judging by what I have heard and read so far, there is also every reason to suspect that this effort might fail. That is because we do not seem to command adequate courage to disengage ourselves from past tracks and abandon deep-rooted economic policy norms based on the domination of the public sector and civil servants, at least not as quickly as is warranted by the tempo of events and circumstances. But it is also fair to wait for some time before making a final verdict. This is not, however, a source of pessimism. I certainly believe that the Jordanian economy is resilient enough as to make a headway during the next few years irrespective of the nature of the contribution of the economic policy. Putting it differently, the Jordanian economy will fare in a satisfactory way during the next few years; if the economic policy does not hamper its movement, it will fare even better.

Economic historians will find that the performance of the Jordanian economy in the second half of the 20th century was a

function of external factors and developments. Development planning which Jordan adopted since the early sixties and which was supposed to encompass our "distinct" economic policies was so much indicative in nature and ineffective in results to the extent that it crumbled the minute those external factors shifted into a direction not favourable to us.

Thus, and despite appearances, our economic policy has never had an identity of its own. When we tried in 1988 to have one, our economic policy managers did that in the wrong way conceivable, so that the results were shockingly catastrophic. That was of course the sad story of currency devaluation and the unprecedented, very aggressive, taxing policy which has been set loose with the adoption of the Provisional Income Tax Law No 40, 1989 adopted since November 1989 and is puzzlingly still effective despite being rejecting by both houses of parliament.

Economic policies are built around strategies. Present examples from the Middle East area include Turkey whose economic strategy seems to emphasise light industrialisation and light industry exports. Tunisia's strategy tends to encourage all sorts of exports and to provide very generous incentives for that. The characteristic feature of Lebanon's strategy is free market economy that borders on laissez faire. Syria has practically had a strategy of self-sufficiency. What is ours?

Official announcements suggest that the government has in

store detailed and practical designs to combat sluggish economic growth, inflation, poverty and unemployment. That is heartening and observers will wait to know such designs and judge their practicability with great anticipation.

Last Sunday, daily newspapers reported an "ambitious national scheme" for solving unemployment, which would be announced and implemented soon. According to the scheme, the government will prepare hundreds, or thousands, of very small projects outside Amman, particularly in rural and desert areas and pass them to unemployed graduates of universities, colleges and secondary schools. If it works, such a scheme would be a pioneering breakthrough. The very dangerous aspect of it is that it is based on the implicit assumption that the Jordanian bureaucracy is qualified enough to set up the envisaged projects. If that assumption turned out to be unfounded, the scheme will be more of a day dream.

However, the message to be read here is that such solutions to unemployment, for example, belong to tactics which cannot provide the fabric of economic policies. The right strategic approach in this particular case is to have schemes to make rural and desert areas a pleasant place to live in. Small projects in this case will spring up in hundreds and even thousands there. That makes economic policy.

Winners and losers in wake of Gulf crisis

By John Fullerton
Reuters

CAIRO — Iraq's invasion of Kuwait a year ago Friday, and the Gulf war that followed, overturned the Middle East balance of power more dramatically than any event since Israel's victory in the war of 1967.

Iraq and most of its sympathisers ended the year on the sidelines, financially crippled and militarily impotent.

The regional powers which fought against it emerged safer, stronger, internationally respected and in some cases richer. Only where the Gulf crisis tangled with the Arab-Israeli conflict, in the case of Israel, Jordan and the Palestinians, is it too early to say who were the winners and who the losers.

The biggest loser must be Iraq itself, which one year ago had the wealth, military might and diplomatic prestige to intimidate its Arab neighbours, seduce Egypt into a regional alliance and pose as the Arab champion against Israel.

Baghdad now stands virtually alone, prey to U.N. inspectors and foreign powers intent on dismantling its arsenal, protecting its minorities and supervising its economy through sanctions and compensation funds.

Egyptian President Hosni Mubarak who sent 35,000 troops to fight Iraq in Kuwait, has emerged stronger internationally, more popular at home and, most important of all, free of most of the massive debt that had crippled attempts to stimulate Egypt's economy.

As Washington's best friend in the Arab World, Mr. Mubarak was quick to nudge Arabs into supporting the U.S.-led coalition that forced Iraq's occupation troops from the emirate in February.

Syrian leader Hafez Al Assad, long regarded in the West as a radical outsider, was also prompt in joining the alliance against his main Arab rival.

By sending troops to join the U.S.-led forces, Mr. Assad not

only helped shatter the military might of a country ruled by a rival wing of the Baath Party, but also consolidated his hold on Lebanon and won the respect of Western leaders.

During the crisis, U.S. President George Bush met Mr. Assad in Geneva — the first meeting between U.S. and Syrian heads of state for more than a decade.

Building on his new role of Middle East power broker, Mr. Assad last week gave his blessing to U.S. Secretary of State James Baker's proposals for bridging the Arab-Israeli divide.

Saudi Arabia, the world's largest oil exporter, has emerged from the crisis with a greater

sense of security.

The speed and size of the allies' military buildup did much to reassure the ruling family, while Riyadh apparently feels that the domestic ripples caused by the presence of so many Western troops on its soil can be contained in the short term.

The winners are by no means confined to the Arab World.

Turkey provided allied aircraft with bases, cut Iraqi oil export pipelines and later gave the allies the logistic support to create a Kurdish "safe haven" in northern Iraq.

In July, Mr. Bush became the first U.S. president to visit Turkey since Eisenhower in 1959 and

he promised his hosts a new era in strategic cooperation.

Mr. Bush also endorsed President Turgut Ozal's proposal for talks between Turkey, Greece and Turkish and Greek-Cypriot leaders to solve the 17-year-old dispute over divided Cyprus.

As for Iran, its careful neutrality allowed it to keep its revolutionary credentials while renewing ties with Europe and seeking contacts with the very Gulf Arab states that had backed Iraq in the 1980-88 Iran-Iraq war.

Tehran also profited by wind-fall oil revenues, from higher crude prices during the crisis, which enabled it to start implementing long-awaited economic reforms at home.

Among the losers are the states which opposed the military campaign to drive Iraqi forces out of Kuwait, some in the mistaken belief that the United States would not dare attack or, if it did, the war would drag on for years.

Yemen's pro-Iraqi sympathies led to an exodus of up to a million Yemeni workers from Arab states, mainly Saudi Arabia.

Unemployment has doubled to 30 per cent, inflation is estimated to have soared to an annual rate of at least 45 per cent, and President Ali Abdullah Saleh says the crisis cost the impoverished country about \$3 billion.

Sudan's pro-Iraqi stance has driven away donor states, leaving its increasingly fundamentalist military junta badly isolated in its battle with famine and civil war.

But where the Gulf crisis cut across the Palestinian problem, the post-Gulf war world has not yet taken shape.

In response to widespread Arab accusations that it was applying double standards in the Middle East, the United States is pressing for a Middle East peace conference where Israel could come under pressure to withdraw from Arab territory.

Israel, which shrewdly stayed out of the Gulf war despite a barrage of Scud missiles, looks like a winner if only because the Arabs have offered direct talks for the first time since the Jewish state came into being in 1948.

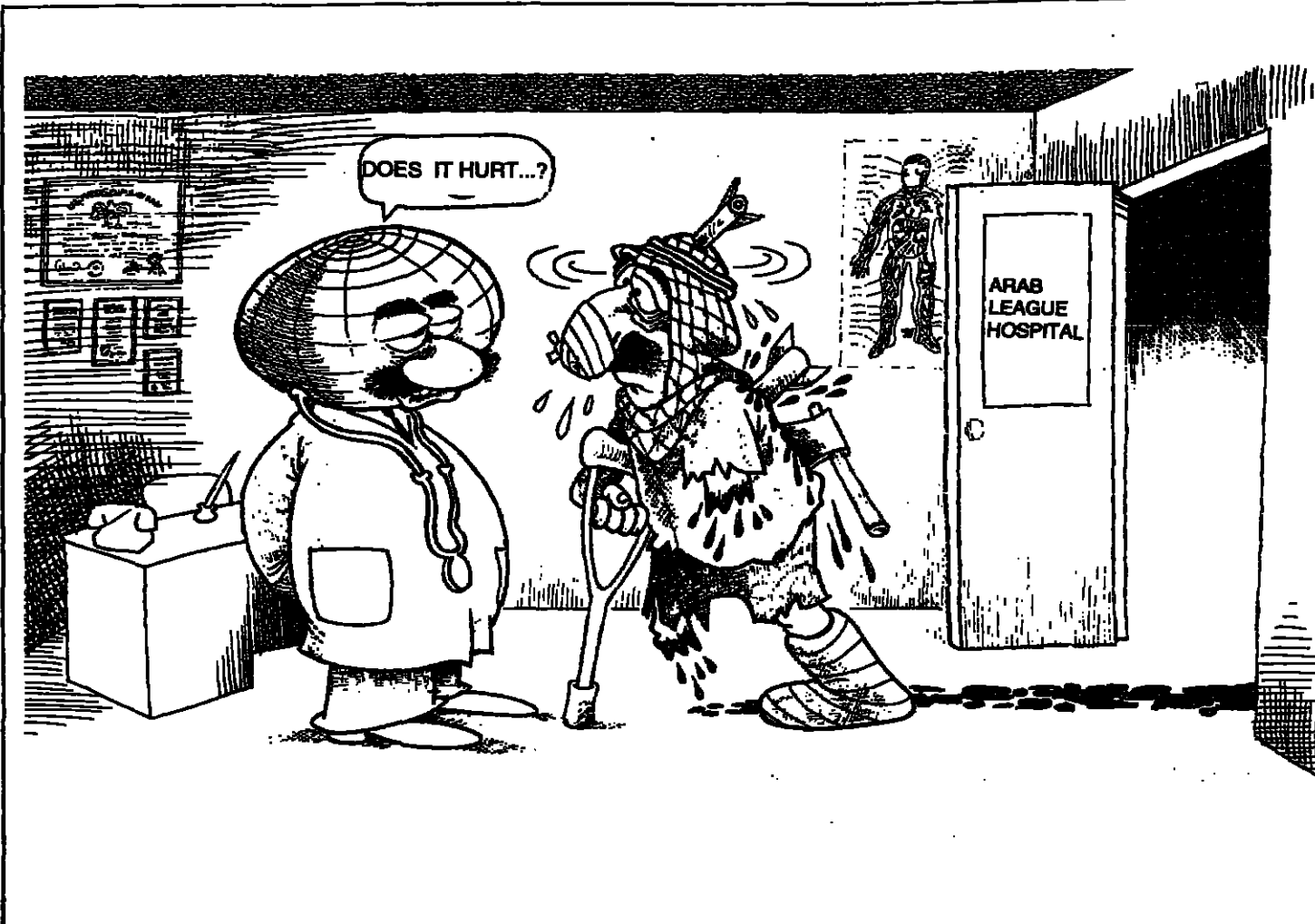
But it also looks potentially isolated, even from the United States, if it turns down U.S. proposals on the peace conference and presses ahead with Jewish settlements in the occupied West Bank and Gaza Strip.

Opponents of the occupation argue that long-range missiles such as Iraqi Scuds undermine the excuse that Israel needs the territories to give it strategic depth in case of attack.

The Palestinians and the Palestine Liberation Organisation (PLO), which seemed to stand side by side with Iraq, already count themselves among the biggest losers from the crisis.

PLO Chairman Yasser Arafat lost millions of dollars in annual income from Gulf Arab states, his international prestige is at rock-bottom and he is in danger of being ignored in negotiations on the future of the West Bank and Gaza Strip.

Jordan, which lost financially from U.N. sanctions against Iraq, its major trading partner, has managed to rehabilitate itself politically. U.S. and other Western politicians are already beating a path to Amman to consult His Majesty King Hussein on the Middle East peace process.



European Community: Everybody wants to join

By Sally Jacobsen
The Associated Press

BRUSSELS, Belgium — The European Community has become the most sought-after membership on the continent and, like any exclusive club, is in no hurry to accommodate the imploring throng.

A stack of applications awaits the attention of the wealthy trading bloc's dozen current members. It probably will continue waiting until at least 1993, after the EC has completed its unity plan.

"We have to protect ourselves against the danger of dilution," said Mark Eyskens, the Belgian foreign minister. "We... first have to structure our political union before opening the doors."

Negotiations are to be finished this year on a new constitution merging foreign, economic and monetary policies into a loose federation.

"It is already rather difficult to bring about a clear-cut supranational structure with 12," said Frans Andriessen, an EC vice president. "There's no reason to believe it would be easier to do that with 18."

Still, officials interviewed say the community will expand in the next decade or so, growing to 18 members or more by adding nations in Scandinavia and Eastern Europe. Current members are Belgium, Britain, Denmark, France, Germany, Greece, Holland, Ireland, Italy, Luxem-

bourg, Portugal and Spain.

In principle, "we have to be ready to accept all the European states," said Italy's foreign minister, Gianni De Michelis.

By his timetable, three or four West European countries are likely to join by mid-decade, with several in Eastern Europe signing up by 2000.

So far, Austria, Cyprus, Malta, Sweden and Turkey have applied. Czechoslovakia, Finland, Hungary, Norway and Poland could do so by the end of next year, officials predicted, and others might include Switzerland, Iceland and Bulgaria.

The variety of applicants, from poor Turkey to wealthy Austria and Sweden, poses problems for the community.

"It will be very difficult to say 'yes' to Austria and 'no' to Turkey and explain why certain countries can enter and others cannot," an EC official said, on condition of anonymity.

Turkey and the new democracies of Eastern Europe are eager to tap the riches of their western neighbours, but are so economically backward that early membership would be a drain on community resources.

Austria and Sweden would be attractive members economically, but their neutrality on security issues could blunt the community's pursuit of a common policy in foreign affairs, and possibly defence.

"Neutrality poses a problem...

unless one gives up the idea of the community one day having a common defence policy," Jacques Delors, president of the community's executive body, told reporters recently. "I am not giving that up."

Ireland now is the only neutral member. All the others belong to the North Atlantic Treaty Organisation.

Some analysts say the end of the cold war changed the meaning of neutrality.

"To be neutral meant something when you were between two alliances," said Dominique Moisi, deputy director of the French Institute of International Relations. "Now that one alliance has collapsed what does it mean?"

Turkey, a populous Islamic country at the southeastern edge of Europe, could present the most vexing problem.

It applied for membership in 1987. Two years later, the community said it would not accept new members before 1993, then went on to complain about Turkey's economic and human rights problems.

Greece objects to membership for its neighbour because of the presence of Turkish troops on Cyprus, which the Turks invaded in 1974. The enmity has blocked the release of nearly \$700 million in EC aid to Turkey.

Many in the EC fear admitting Turkey would set off a mass migration of unemployed work-

ers to the wealthier countries and require an enormous amount of aid to build its economy. Some argue that Turkey, more in Asia than in Europe, is too different in culture and religion.

"They don't want Turkey to become a member (for) a lot of reasons," Mr. Moisi said, but "they don't want to offend Turkey either."

Nihat Akyol, deputy Turkish delegate to the EC, said: "The community cannot politically say no... Turkey is a European country. The criteria set up are filled by Turkey."

Mr. De Michelis of Italy believes Turkey should be let in, although not in this decade.

"We have to demonstrate to the Islamic and Arab World that we are not creating inaccessible borders," he said. "Turkey is the best way for demonstrating it."

The community is trying to draw some nations closer without giving them full membership.

Austria, Sweden, Norway, Finland, Switzerland, Iceland and Liechtenstein are completing an accord to join the community's single market when it opens in late 1992.

The European Community intends to dismantle trade barriers by that date and create the world's largest market, with 372 million consumers.

Czechoslovakia, Poland and Hungary are negotiating association agreements that would give them trading advantages and

establish a political dialogue.

Mr. Andriessen, the EC vice president, proposes affiliate sta-

tus that would open more community activities to outsiders, still without full membership.

LETTERS

More important than languages

To the Editor,

AS an Eritrean living in Jordan I was of course interested to read the article on page 2 of the Jordan Times of Monday 22 of July 1991. Of course all Eritreans are pleased with the fact that the vicious and brutal regime of Mengistu has fallen, and that the whole of Eritrea is now being run by Eritreans.

However, I feel that I should point out that Eritrea is not an Arabic-speaking country, though there is a small minority who can speak Arabic. There are several languages that Eritreans speak as their mother tongues. Which of these languages will become the national one or ones is a subject that will be discussed as Eritrea proceeds towards independence from Ethiopia.

Since there has not been a census carried out in Eritrea for a number of decades, any attempt to estimate the proportion of Christians to Muslims in the population is inevitably a wild guess.

Certainly the idea of a conference of reconciliation for Eritreans is a good one. Let us hope that all Eritreans whatever their mother tongue or their religions can put the years of conflict together for peace and progress in order to make Eritrea a proud new member of the world community of nations.

Asmeret Hagos
POB 436613
Amman

Baker weighs new Middle East mission

(Continued from page 1)

would take place in the fall.

The joint sponsorship of a peace conference is a significant step in U.S.-Soviet cooperation which is being celebrated at the summit in various ways, including the signing of a treaty to sharply reduce U.S. and Soviet long-range nuclear weapons.

Soviet Foreign Minister Alexander Bessmertnykh said Monday "the time is right" for Moscow and the United States to sponsor a peace conference.

Trying Tuesday to entice Israel to say yes, he again dangled the prospect of renewing Soviet relations that were broken by Moscow in 1967.

"It may be very close," Mr. Bessmertnykh said (see page 2). He tied the pace of upgrading the existing semi-formal ties, to the opening of peace talks.

A senior official aboard the plane that brought Mr. Baker to Moscow from Mongolia told reporters Monday: "This is a good example of an area in which our relationship with the Soviet Union has gone from confrontation first, to cooperation, and now to partnership."

The official, who spoke on condition he not be identified, said the Soviets "have been very helpful."

Palestinians in the occupied territories doubted that peace talks would get off the ground if Israel refused to accept the PLO and an Arab Jerusalem delegate. They also suspected the talks, if

they did start, would not solve their problems.

"Israel has been blocking the peace process by introducing new conditions one after another," said Saeb Erekat, a political science professor at Al Najah University in the West Bank city of Nablus.

Mr. Erekat, also accused the Israeli government of spoiling the peace climate by continuing to demolish homes of Palestinians suspected of resistance activities while increasing the Jewish presence in the occupied territories.

"There is no way that we can imagine the peace process going at the same time that Israeli bulldozers are demolishing our homes and the Israeli government is still building more settlements," Mr. Erekat said.

Radwan Abu Ayyash, a journalist, said the PLO already had compromised by not insisting its leaders such as Yasser Arafat sit in on a peace conference.

"The flexibility shown by the PLO is a proof that the Palestinians are willing to see peace prevail," he said.

But he added that Palestinians feared that Americans would go along with Israeli demands on conference delegates and ignore the Palestinians' dream of having their own state.

"We are concerned about the kind of participation in a peace conference and if such a conference might achieve something concrete," Mr. Abu Ayyash said.

In the streets of the occupied territories, where most people

regard the PLO as their political representative, fears also were expressed that the latest round of diplomacy would bypass the 1.75 million people living under occupation.

Some Palestinians said they worried the American push for negotiations will end with peace between Israel and its Arab neighbours but with the Palestinian problem unsolved. They compared it to the U.S.-sponsored Camp David accords that led to an Israeli-Egyptian peace.

The 1978 accords offered the Palestinians a limited "autonomy" to be followed by talks later on the occupied territories' final status.

Hardliners oppose any solution that does not specifically lead to a Palestinian state.

"All parties have to live with the fact that there will be no peace without us (Palestinians). We do not need another Camp David conspiracy," said Akram, an activist with the Popular Front for the Liberation of Palestine.

While the hardliners oppose Mr. Baker's efforts to bring peace, some other Palestinians hope that the Americans will bring pressure on Israel to leave the occupied territories.

"Bush's administration has to be firm and tough with Israel if it is serious about getting the peace process moving," said Ahmad Al Masri, a 37-year-old moneychanger in Nablus. "There will be no end to the Israeli-Arab conflict without ending the Israeli occupation."

When Mr. Mimouni makes such judgements he does so not just as a respected writer, thinker and social critic, but also as a professional economist, a former director of development at a state-run chemical enterprise and today a professor of economics at the Ecole Supérieure de Commerce in Algiers.

Mr. Mimouni's first-hand experience of the economic and political methods of Algeria's totalitarian socialist leadership, which took power after Algeria became independent from France in 1962, has been the inspiration of much of his writing. In his novels he treats with compassion and irony the absurdities and contradictions of the regime's ill-conceived and incompetently executed attempt to adopt Marxist-Leninist theory to the specific needs of Algeria's traditional society.

"They took the worst from one system and added the worst from another," says Mr. Mimouni. "That resulted in disasters... in effect one had neither the advantages of a socialist economy nor the benefits of an Arabic Islamic society." He pauses and looks out of the restaurant's large picture window at the port and bay of Algiers. The other patrons have left, and the waiters are hovering around the kitchen doors, impatient to close for the afternoon siesta. Everything about his big, empty restaurant — the worn white tablecloths, the overstuffed, the indifferent service and overcooked food, the melancholy charm and memories of a bygone colonial splendor — seems to reflect something of Algeria's bleak modern history.

The streets and alleys nearby are crowded with unemployed youths. Troops and tanks are guarding main roads and government buildings, enforcing a state of siege imposed to quell mass demonstrations by fundamentalists seeking an end to the social

Mediterranean cooperation seen as best hope for North Africa

By Tom Porteous

ALGIERS, Algeria — "What we are seeing today," says Algerian writer Rachid Mimouni, "is the destruction of traditional values with nothing to replace them... That is why there is such total chaos. People don't have any standards by which to live, and I don't think that it is an accident that people are returning to Islam, because in that movement they can reestablish a set of values."

Over black coffee, American cigarettes and Algerian wine, Mr. Mimouni evokes the tragic condition of Algerian society — a society that has failed to accept the modern world. It is a theme that surfaces again and again in the short stories and novels that have confirmed Mr. Mimouni's reputation as one of the most talented of his generation of Algerian writers. For him the confrontation with modernity is "the determining problem" not only for Algeria but for many Third World countries as they approach the 21st century.

When Mr. Mimouni makes such judgements he does so not just as a respected writer, thinker and social critic, but also as a professional economist, a former director of development at a state-run chemical enterprise and today a professor of economics at the Ecole Supérieure de Commerce in Algiers.

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The streets and alleys nearby are crowded with unemployed youths. Troops and tanks are guarding main roads and government buildings, enforcing a state of siege imposed to quell mass demonstrations by fundamentalists seeking an end to the social

and economic misery by installing an Islamic state.

For Mr. Mimouni the main source of this drama is not so much the failure of Algeria's post-independence socialism as the failure of Algerian society to assimilate the modernity that fueled progress of the 20th century. Not that modernity did not also produce disasters, especially in the developing world. The problem, says Mr. Mimouni, is that modernity was born in the West: it was the product of a historical evolution and carried with it a collection of values such as the primacy of rationality and the freedom of the individual that were put in place over a long period of time. But when modernity arrives in a country like Algeria, the values that it carries contradict those of the traditional local society, such as honour and tribal or communal solidarity.

"The problem that we have in opening up to modernity is that when it enters, old values are destroyed but are not replaced with new standards," Mr. Mimouni explains. Not even language has escaped the hiatus between tradition and modernity, it is a fact of which Mr. Mimouni, an Arab writer working in French, is highly conscious. In school the language was French, "the language of modernity," but in the street, he says, it was Arabic, "the language of tradition." Even today, he admits, "the individual is impaired as a result of not being able to write in his mother tongue, which contains more sensuality, more affection."

Among his students today at the Ecole Supérieure de Commerce, Mr. Mimouni detects another effect of Algeria's failure to come to terms with modernity. He says their attitude displays "a total disaffection with learning. They attend school solely to obtain a diploma so that they can get a job. But they don't believe anything that they are taught. In their minds they make a very clear distinction between how they are going to live their lives and what they have learned in school."

For Mr. Mimouni the popularity of the Islamic movement in Algeria's new political pluralism is no surprise. It is not just that Islam is a platform for protest against a corrupt and incompetent regime that does nothing to check economic and social decline. Intellectually, says Mr. Mimouni, Islam offers a "closed core" containing a ready-made social order drawn very literally from Sharia — 14-centuries-old Islamic laws to which Algerians feel closely attached. But although it is seductive, this "closed core" contains few convincing solutions to the pressing and complex problems of Algeria today, except to deny a modernity that is all too real.

"Modernity is incontrovertible," says Mr. Mimouni in his quiet, even voice. "We can't live without aircraft, radio, car, telephone, without this and that. For



Trapped between the appeal of tradition and the pull of development, Algeria should rely on regional cooperation to find its way to the 21st century, author Rachid Mimouni explains.

behind those products there are values. That is how one is convinced. There is no other way."

What makes the helplessness of intellectuals like Mr. Mimouni in the face of fundamentalism particularly disquieting is their apparent inability to communicate with it. Says Mr. Mimouni, "there is a complete breakdown between the thinking of the puritans and that of the intellectuals. There is no communication. The puritans don't read the works of the intellectuals. They function in a closed system." As for the consequences for Algerian culture if the fundamentalists take power, Mr. Mimouni is in no doubt that "they would start by burning books. For them there is no culture outside the Koran and other sacred texts. Everything else should be banned: literature, music, painting, singing."

The other major threat to Algeria's future, according to Mr. Mimouni, comes from the poli-

cies of the West that nurture the social and economic conditions allowing fundamentalism to thrive. "When Europe modernised," he notes, "it took some time for the people to accept changed values. But as things changed new values were taking root... Now we have the West as the dominant force, and our countries are not allowed to progress at their own pace."

While the cogs of development have turned faster and faster in the West, he adds, countries like Algeria have undergone stark social regression, and in other parts of Africa famines and epidemics that had been almost abolished in the 1960s are again haunting the continent. "This worries me a lot," says Mr. Mimouni. "I really can't see what future is open to countries like ours."

But Mr. Mimouni is not completely pessimistic. There could be a chance, he says, if Algeria

reinforced its economic, political and cultural ties with its Mediterranean neighbours on the basis of real cooperation rather than competition. It is in this idea of a Mediterranean community, embracing the countries of the Maghreb and those of southwestern Europe — Italy, Spain and France — that the former can hope to emerge with economic and social stability, coming to terms with modernity through the rediscovery of a Mediterranean identity. Mr. Mimouni has been promoting this idea through conferences and cultural projects and he now believes that Spain, France and Italy have an objective interest in pursuing it because of the threat of "wild immigration" from the Maghreb if local economies continue to stagnate or deteriorate. "Maybe it's utopia," Mr. Mimouni concludes, "but I believe in it." — World News Link.

Moscow gets an economic prize

(Continued from page 1)

the institute.

"This dispute could hamper your integration into the world economy, and we want to do whatever we can to help both of you to resolve it," Mr. Bush said.

The summit provided the setting for his signing of a landmark arms accord and a series of economic agreements. One of them pledged U.S. assistance to improve food distribution, transportation, oil exploration, conversion of military plants and economic education. The White House said Mr. Bush would ask Congress for up to \$20 million for the programme.

The two leaders Wednesday will sign the Strategic Arms Reduction Treaty, the first accord of the nuclear age to actually reduce nuclear arsenals. With tensions disappearing, Mr. Bush said "there won't be any bold, new (arms) proposals on the part of the United States."

Instead, "President Gorbachev and I hope to build upon this beginning to forge a U.S.-Soviet agenda built not upon military confrontation but upon economic and security cooperation," Mr. Bush said.

In a diplomatically sensitive effort to promote ties with democratic reformers, Mr. Bush will meet Wednesday with members of the fledgling anti-Communist opposition, including Eduard Shevardnadze, the former foreign minister who resigned while warning of a Kremlin dictatorship.

On Thursday, Mr. Bush will travel to Kiev and address leaders of the Ukraine. The visit presents Mr. Bush with the challenge of saluting the importance of the republics while, at the same time, underscoring support for Mr. Gorbachev.

Following is a look at agree-

ments signed Tuesday as part of summit.

Aviation security: Accord sets forth procedures to be followed in the event of an airline hijacking or sabotage in the territory of either country, including communications and assistance in criminal proceedings.

Disaster assistance: The accord will set up a system for "timely and direct exchange" of information, requests for assistance and joint responses in the event of natural or man-made disasters.

Medical supplies: The agreement formalises a programme he began earlier by Mr. Bush to provide to the Soviet Union medical products that are in short supply. Administered through the private organisation Project Hope, it has already provided \$8 million in supplies to the Baltics, the Ukraine, Kazakhstan and Uzbekistan, as well as a burn treatment centre and AIDS clinic in Moscow.

Housing construction and finance: The programme, to be im-

plemented through the Department of Housing and Urban Development, will focus on:

— Converting government-owned housing to non-government ownership.

— Expanding housing supply and home-ownership opportunities.

— Encouraging construction by setting up and managing non-government housing finance institutions.

— Developing policies, including free-enterprise zones, to encourage construction and rehabilitation.

— Developing a private sector construction industry that support private initiative.

Technical economic cooperation: The agreement seeks to expand economic cooperation between the two countries to food distribution, energy, defence conversion, economic education and transportation. Currently unfunded, the Bush administration supports pending legislation that would provide \$15 to \$20 million in the 1992 fiscal year.

Egypt assails Israel

(Continued from page 1)

"I am not conducting here a parallel initiative...there are things Israel has done. There are things Israel will not do," he told reporters during his morning tour of the Egyptian capital.

Mr. Levy, visibly irritated by reporters' questions on the deadlock over who should represent Palestinians at peace talks, said: "We are not facing a situation where Egypt dictates or imposes conditions. We are consulting as two nations at peace."

Mr. Levy began the first trip to Cairo by a senior Israeli cabinet minister in two years Monday, and he continues his talks with

Egyptian President Hosni Mubarak and Foreign Minister Musa on Wednesday.

Mr. Musa told reporters Monday night: "The stage is very crucial, the talks are very important."

Mr. Levy insisted Tuesday that relations were getting better between Israel and Egypt.

Egypt is "not putting any conditions, heaven forbid, or telling Israel do this or else we won't advance" towards peace negotiations, Mr. Levy said. "We are in a period where we believe it more possible than ever to advance to peace."

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Financial Markets

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U.S. Dollar in International Markets

Currency	New York Close	Tel Aviv Close
Sterling Pound	1.6625	1.6677
Deutsche Mark	1.7476	1.7487
Swiss Franc	1.5265	1.5283
French Franc	5.9435	5.9255
Japanese Yen	137.35	137.33
European Currency Unit	1.7745	1.7751

U.S. Per STG
European Opening at 9:00 a.m. GMT

European Opening at 9:00 a.m. GMT

Currency	1 MTH	3 MTHS	6 MTHS	12 MTHS
U.S. Dollar	5.93	5.93	6.15	6.56
Sterling Pound	10.67	10.93	10.61	10.57
Deutsche Mark	8.93	9.12	9.43	9.43
Swiss Franc	7.68	7.67	7.61	7.66
French Franc	9.50	9.50	9.55	9.64
Japanese Yen	7.37	7.34	7.15	7.30
European Currency Unit	9.75	10.06	10.15	10.12

Interbank bid rates for amounts exceeding U.S. Dollars 1,000,000 or equivalent.

Precious Metals	U.S. Dollar	JD/Gm	Metal	U.S. Dollar	JD/Gm
Gold	357.45	5.95	Silver	4.27	1.05

Central Bank of Jordan Exchange Rate Bulletin

Currency	Bid	Offer
U.S. Dollar	.657	.659
Sterling Pound	1.1500	1.1613
Deutsche Mark	.5530	.5550
Swiss Franc	.4530	.4579
French Franc	.1157	.1165
Japanese Yen	.0078	.0080
Dutch Guilder	.0491	.0498
Swedish Krona	.1025	.1091
Italian Lira	.0027	.0030
Belgian Franc	.0190	.0192

Other Currencies

Currency	Bid	Offer
Bahraini Dinar	1.7560	1.7950
Lebanese Lira	.0770	.0790
Saudi Riyal	.1629	.1630
Qatari Riyal	.1850	.1865
Egyptian Pound	.1950	.2150
Omani Riyal	1.7500	1.7600
UAE Dirham	.1860	.1865
Greek Drachma	.3500	.3600
Cypriot Pound	1.4200	1.4400

For 100
C.A.R. Indices for Amman Financial Market

Index	28/7/1991 Close	29/7/1991 Close
All-Share	110.21	109.46
Banking Sector	105.64	103.79
Insurance Sector	119.35	119.70
Industry Sector	115.40	115.09
Services Sector	127.10	127.26

LONDON EXCHANGE RATES

LONDON (R) — Following are the buying and selling rates for leading world currencies and gold against the dollar at midsession on the London foreign exchange and bullion markets Tuesday.

One Sterling	1.6860/70	U.S. dollar
One U.S. dollar	1.1490/95	Canadian dollar
	1.7450/60	Deutsche marks
	1.9640/50	Dutch guilders
	1.5225/30	Swiss francs
	35.95/99	Belgian francs
	5.9300/50	French francs
	1304/1305	Italian lire
	137.70/80	Japanese yen
	6.3280/3330	Swedish crowns
	6.8130/80	Norwegian crowns
	6.7510/60	Danish crowns
One ounce of gold	361.80/362.30	U.S. dollars

Bangladesh announces new industrial policy

DHAKA (R) — Bangladesh announced a new liberal industrial policy Monday with incentives to foreign investors that the government hopes will persuade aid donors to release \$300 million in fresh industrial loans.

"With the formal announcement of the new and liberal industrial policy, we hope to receive over \$300 million in industrial loans from foreign donors," Industries Minister Shamsul Islam Khan told a news conference.

Bangladesh has been promised \$150 million from the Asian Development Bank (ADB), \$100 million from the World Bank and \$50 million from Japan on condition it liberalises its industrial sector.

"I hope the conditions of the donors have been fulfilled and they will release the money for funding investment in Bangladesh," Mr. Khan said.

The money would be mostly used to import machinery, he said.

"The (new) industrial policy will accelerate foreign investment by removing all barriers ... and

offering positive encouragement to the existing and new foreign investors," the minister said.

The minister said foreigners could now fully own a business anywhere in Bangladesh. Enterprises that are 100 per cent foreign-owned have until now been restricted to an export processing zone in the port of Chittagong.

Mr. Khan said overseas investors would now also be able to repatriate their capital, profit and dividends.

The new policy is designed to expand the growth of export industries to reduce Bangladesh's trade deficit and strengthen cottage and small industries to boost employment.

Mr. Khan said profits would not be taxed in industries producing only export goods.

Nearly 15 million of Bangladesh's 110 million people are unemployed. Annual per capita income is only \$179.

Mr. Khan told parliament last April that 368 industries had been privatised between July 1975 and March 1991. The new policy proposed that more state-controlled industries would be gradually sold off to the private sector.

GATT says dynamic Thailand still protects some home industry

GENEVA (R) — Thailand has become a dynamic exporter and importer in recent years, but some pockets of domestic industry are still highly protected against foreign competition, the GATT trade body has said.

"Substantial pockets of high protection remain in the Thai economy, either by way of restrictive border measures or through other policies such as local-content requirements," said the report compiled by the secretariat of the 102-member General Agreement on Tariffs and Trade (GATT).

The protected areas included processing of agricultural products, textiles, leather goods and motor vehicles. Thailand's automobile industry assembles vehicles from components mainly imported from Japan and some European countries subject to local content requirements. High tariff duties are imposed on imported motor vehicles, the report said.

While protective measures benefited specific groups of domestic producers in the short-term, they represented a tax on Thai consumers. The 302-page report warned that such policies "could become impediments for the future development of efficient export and import-substitution industries and of economic and social development at large."

It said the Thai authorities were aware of the risks and stated "their intention to continue with the rationalisation of trade-related policies."

This would also benefit Thailand's trading partners, the GATT document added.

Thailand, which joined GATT in 1982, was the 13th member of GATT to be scrutinised under a procedure launched in 1989 to evaluate states' trade policies.

A report by Thailand said rapid economic expansion had uncovered an inadequacy of infrastructure, a shortage of qualified personnel and problems of income distribution and dispersion of economic prosperity.

These issues would be tackled in the next five years, it added. GATT said strains emerging after a period of extensive economic growth suggested Thailand's future economic and social development would depend on efficiency of investment.

A more liberal and stable world trading environment would also help the Thai government to overcome domestic resistance to further liberalisation of the economy. The report noted that some important Thai products faced external barriers, including tapioca exports which were subject to restraints by an agreement with the European Community and clothing shipments curbed under the multi-fibre arrangement regulating trade in textiles.

WORLD STOCK MARKETS

TOKYO — The naming of companies compensated by the big four brokers removed a major uncertainty from the market. Some investors believe the worst of the scandal is over. The Nikkei average gained 429.05 points to 23,872.63.

SYDNEY — The All Ordinaries Index rose 6.7 to 1574.2, an 11-month high, on hopes that inflation will fall to three per cent by the year's end.

HONG KONG — The Hang Seng Index eased 24.46 points to 3,991.83. "I don't think there's any major selling. It's more a question of some profit-takers coming in and no particular new reason for buying," said Mark Hodge of Crosby Securities.

SINGAPORE — Profit-taking continued to erode prices over a broad front. The Straits Times Industrial Index lost 8.54 points to 1,486.28.

BOMBAY — Profit-taking halted a record-setting week-long rally. The BSE Index rose 9.3 points to 1,647.00, a new all-time high.

FRANKFURT — Shares climbed 0.6 per cent in quiet trading boosted by modest gains on Wall Street and Tokyo. The DAX Index rose 9.36 points to 1,614.93.

British court allows time for possible BCCI restructuring plan

LONDON (R) — Britain's High Court granted a four-month adjournment Tuesday in efforts to liquidate the scandal-hit Bank of Credit and Commerce International (BCCI), giving time to work out a possible restructuring plan.

Judge Sir Nicolas Browne-Wilkinson told the court the adjournment — the second in eight days — would be until Dec. 2.

The court order to wind up BCCI was sought by the Bank of England, Britain's central bank, which took the lead role on July 5 in a shutdown of BCCI in many countries, saying it uncovered massive and widespread fraud.

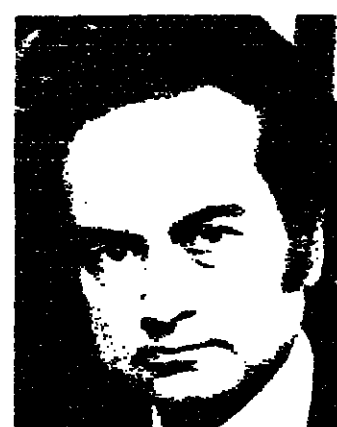
The announcement followed a last-minute rescue plan proposed by BCCI majority shareholders, Abu Dhabi ruler, Sheikh Zaid Ben Sultan Al Nahayan, and the Abu Dhabi government.

Their lawyer, David Johnson, said his clients had offered to fund a voluntary compensation scheme which would give speedy payouts of up to £5,000 (\$8,400) to the vast majority of BCCI's 48,400 British sterling depositors.

Mr. Johnson said £50 million (\$84 million) to fund the scheme had already been paid into the London branch of the National Bank of Abu Dhabi.

The Bank of England, which had applied for an immediate liquidation of BCCI's British operations, opposed the adjournment but the delay was strongly supported by the court-appointed provisional liquidators, Touche Roche.

The judge said he was surprised the Bank of England opposed the application by the majority shareholders for the



Agha Hasan Abedi

four-month adjournment.

He said he believed the majority shareholders had made a generous gesture in offering the compensation scheme and providing some support for BCCI's British employees and small depositors in Britain.

The Bank of England's initial winding-up order was adjourned for eight days to see if a rescue bid could be put in place.

The court's decision to grant the postponement to allow a rescue plan to be set in motion came as a surprise.

Lawyers representing BCCI's Abu Dhabi principal shareholders and the British authorities held last-ditch negotiations on Monday night, apparently on a restructuring plan.

But Gulf banking sources said Abu Dhabi ruler had told his cabinet he would not waste "a single dirham" more on what he now regarded as a lost cause.

And Bank of England Governor Robin Leigh-Pemberton had said he believed the bank was

beyond rescue, in Britain at least.

The High Court case affects only the British operations of BCCI, which were run through the Luxembourg-registered BCCI S.A., a subsidiary of the Abu Dhabi-controlled BCCI Holdings S.A.

Investigators say the alleged fraud, in which the Bank of England says BCCI ran a bank-within-a-bank, could total \$15 billion — three quarters of BCCI's global assets.

The latest estimates are that Abu Dhabi faces at least \$6.5 billion in losses. That is almost exactly equivalent to its oil export earnings over the past year.

British Prime Minister John Major himself has not been immune, with opposition parties charging he and his government knew of the problems at BCCI years ago and did nothing to close it. The Bank of England has come under fire for similar reasons.

In New York Monday, the first criminal indictments were brought against BCCI since its closure earlier this month.

The indictments issued by a grand jury charged that BCCI and two of its founders engaged in a multi-billion-dollar scheme to defraud its depositors.

New York District Attorney Robert Morgenthau said the indictment "spells out the largest bank fraud in world financial history. BCCI was operated as a corrupt criminal organisation throughout its entire 19-year history."

"It systematically falsified its records. It knowingly allowed itself to launder illegal income of drug sellers and other criminals

and it paid bribes and kickbacks to public officials," Mr. Morgenthau added.

The New York indictment charges Agha Hasan Abedi, the 68-year-old Pakistani who founded the bank in 1972, and Swaleh Naqvi, 57, of Abu Dhabi, who was the bank's chief operating officer until October 1990, with masterminding the fraud scheme.

Mr. Morgenthau said he would seek the extradition of both men. Mr. Naqvi is in Abu Dhabi and Mr. Abedi in Pakistan.

Meanwhile, a senior United Arab Emirates (UAE) finance official has criticised the Bank of England and described as stupid the closure of BCCI by foreign monetary authorities.

"Malicious hands and unknown institutions aiming at destroying every Arab achievement is behind the BCCI crisis," Mr. Jaafar Al Firdan, assistant under-secretary at the UAE finance ministry, told the London-based Asharq Al Awsat newspaper.

"It is an unusual act of a sabotage and the Bank of England was hasty in taking its measures," the newspaper Tuesday quoted him as saying.

"Some countries took stupid decisions as a result of this crisis which should not have been taken. They should have referred first to the shareholders," Mr. Firdan said.

"The BCCI operation was not an ordinary operation but its target was to shake confidence in the financial situation of the United Arab Emirates. But the UAE will prove its ability in overcoming this problem," Mr. Firdan said.

Swissair improves finances

ZURICH (R) — Swiss national carrier Swissair Monday reported a slight rise in first-half gross profit despite economic recession and a decline in demand due to the Gulf war.

Swissair-Schweizerische Luftverkehr A.G. said six-month gross profit rose to 86 million Swiss francs (\$56.2 million) from 70 million (\$45.8 million) last year.

The result followed a disappointing 1990, when it paid no dividend after net profit plunged to 4.3 million francs (\$2.8 million) from 1989's best-ever 94.7 million (\$61.9 million) on a fall in passenger traffic and soaring costs.

Despite the improvement in results, Swissair said there had been a drastic decline in demand compared with the first half of last year, due in part to the Gulf war.

In an indication that the battle for recovery was not yet won, it said that the second half of the year, when most travelling is done, would be crucial for full-year results.

Swissair had already said passenger traffic had not picked up to last year's level since the end of the Gulf war. In May it carried 11 per cent fewer passengers than in May 1990.

But the airline said it was optimistic on the outlook for the whole year after first-half revenues improved despite falling traffic. It said a hiring freeze, a wage hold-down and a fall in fuel prices had also helped cut costs.

"The outlook for the second half of this year is better than in 1990. Consequently Swissair anticipates an improved annual result barring any unexpected downturn," it said.

India starts talks with IMF

NEW DELHI (R) — India began talks Tuesday with an advance team from the International Monetary Fund (IMF) on major loans to prop up its slim foreign exchange reserves and help it out of its worst economic crisis.

Finance ministry officials would give no details of the talks, but government sources said India was seeking about \$250 million as an emergency loan and \$2 billion in longer term loans.

The sources said the IMF team, due to be reinforced later in the week, would go over India's July 24 austerity budget in detail to see whether it met conditions for the loans.

India, burdened with a \$71 billion foreign debt, took a \$1.8 billion loan from the IMF at the beginning of the year.

On July 22, with foreign exchange covering only two weeks of imports, it took an emergency \$220 million loan.

A day later, the World Bank announced a \$150 million loan to help out. India has also shipped 67 tonnes of gold abroad as collateral for loans to stave off imminent default.

The United News of India

(UNI) reported from Washington that the World Bank was considering a \$500 million structural adjustment loan as further help.

There was no official comment on the report but Western economic analysts, who asked not to be identified, said such a loan was under consideration and the figure sounded reasonable.

"But it will be contingent on agreement with the IMF on conditionality," one said.

India's month-old government has taken unexpectedly rapid and radical measures to liberalise its rule-bound, inefficient and highly protected economy in what amounted to a 180-degree turn opponents charged was made at the IMF's behest.

These included allowing majority foreign ownership, easing import-export rules and devaluing the rupee sharply.

The IMF and multinational corporations have long been regarded as demons in India, especially by the left, which plans to hold a week of protests against them from Aug. 19.

The analysts said the IMF team would be going over the new policies and the budget to see

whether they met conditions for fresh loans.

Finance Minister Manmohan Singh announced his budget would cut the government's fiscal deficit from 8.3 per cent of gross domestic product (GDP) to 6.5 per cent in the 1991/92 (April-March) financial year.

"I think the IMF has doubts whether that can be achieved," one analyst said.

"This is one major potential weakness of the budget and there are others that the IMF will want to explore," he added.

The analyst said India's past record of over-estimating its revenues was "chronic" and the IMF would need assurances that the budget estimate would be met.

The IMF team was also likely to be dubious about the budget plans to sell off 20 per cent of shares in some, as yet unidentified, public enterprises to state-run financial institutions to raise 25 billion rupees (\$1 billion).

"I'm not sure that's what the IMF has in mind for the privatisation measures it will be demanding," another analyst said.

Albania to step up privatisation

TIRANA (R) — Albania's coalition government said Monday it would accelerate radical free-market reforms to drag the country out of what it called general economic stagnation.

A statement by the council of ministers, reported by the official news agency ATA, said privatisation efforts would be intensified and measures would be adopted to attract foreign investment — a situation which would have been deemed treasonable under Albania's previous Stalinist rulers.

The government also described stabilising food supplies as its "major work."

Output has slumped because of

a collapse in distribution, problems with raw materials and a wave of strikes in the wake of political unrest as Albania began moving towards multi-party democracy late last year.

Albania's industry is in a primitive state after nearly 50 years in which the hardline Communist Party of Labour — now renamed the Socialist Party and the biggest member of the ruling coalition — tried to make Europe's poorest country self-sufficient.

"It is one of the world's biggest producers of chromium ore, and also exports electric power, timber and some foods, but it has few other products which are competitive on the world market."

Industrial output was languishing at less than half of planned levels, ATA said.

Exports were running at one-fifth of target, and imports at about one-third, resulting in a \$343 million trade deficit for the first half of 1991, ATA quoted the statement as saying.

"The situation in the country-side is dramatic. The market supply of seasonal agricultural products and livestock is insufficient," it said.

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On Wednesday, July 31 Reverend Salim Sayegh, Bishop of the Latin Church in Amman, will be the main celebrant at a liturgy celebrating the 500th anniversary of the birth of St. Ignatius, the founder of the Society of Jesus. The mass will be celebrated at La Salle Church (Freres' College), Jabel Hussein, at 6:30 p.m. The sermon will be delivered by Rev. Thomas J. Fitzpatrick, S.J., Superior of the Jesuits in Amman, Jordan. Following the liturgy there will be a reception at the Jesuit Centre (down toward the centre of the city from the Freres' College).

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DRAGNET

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LAMBADA

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Cinema Tel: 675571

NIJOU

To Be Opened Soon

Nabil Mashini Theatre

Show: 12:30, 3:30, 8:30, 10:30 p.m.

Cinema Tel: 634144

PHILADELPHIA

Julia Roberts in

MYSTIC PIZZA

Show: 12:30, 3:30, 6:15, 8:30, 10:30 p.m.

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RAINBOW

TOM SELLECK — IN

RUNAWAY

Show: 3:30, 6:30, 8:30 p.m.

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De Klerk to announce cuts in covert operations

JOHANNESBURG (AP) — Major cuts in covert operations were expected after President F.W. de Klerk removed his top security chiefs in an effort to revive talks on ending white-minority rule.

Mr. de Klerk was to address the nation on a government shake-up in which he demoted the ministers of the armed forces and police. Government officials said he would announce changes in secret funding of black political groups and reduce covert political activities to try and restore the administration's credibility.

The president stunned South Africans late Monday by demoting two powerful cabinet figures — Defence Minister Magnus Malan and Police Minister Adriaan Vlok. The move followed a scandal over covert funding of the conservative black Inkatha Freedom Fund.

The African National Congress (ANC), the main black opposition group, said Tuesday the demotions were not sufficient and it wanted Mr. Vlok and Mr. Malan dismissed from the government. The ANC had demanded the

ministers' dismissal as a condition to resuming talks on a new constitution.

"The removal of guilty parties from the cabinet is what we demanded, and that does not mean shifting them around from pillar to post," said ANC Deputy President Walter Sisulu.

But other ANC officials, who declined to be named, said Mr. de Klerk's moves were a welcome start and a compromise might be possible.

The pro-apartheid Conservative Party denounced the changes, claiming Mr. de Klerk was losing control and his plans to end apartheid were coming apart.

"Things are crumbling. This is a puncture he (Mr. de Klerk) won't be able to fix. It's too big," said party spokesman Fred Hartzenberg.

Government funding of Inkatha, the ANC's main rival, undermined Mr. de Klerk's claim that the government was impartial and acting in the interests of all South Africans by ending apartheid.

Mr. de Klerk also used the scandal to remove the last of the

cabinet hardliners from the previous government of P.W. Botha and move up moderates committed to reform. Two moderates closely allied to Mr. de Klerk, Hennie Kriel and Roelof Meyer, were named as replacements.

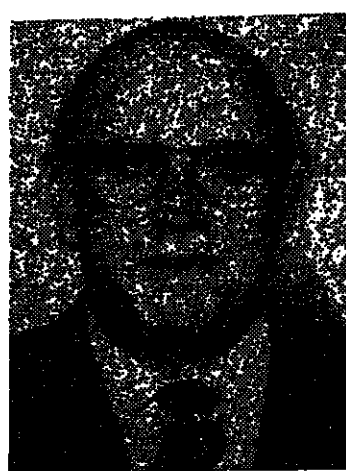
Foreign Minister P.W. Botha, a close confidant of Mr. de Klerk who acknowledged authorising the money for Inkatha, held his post.

Mr. Malan takes over the water affairs and forestry portfolio and Mr. Vlok will head correctional services.

Mr. de Klerk's statement simply announced the changes and made no reference to the Inkatha scandal.

The dismissals were expected to anger white hardliners, who saw Mr. Vlok and Mr. Malan as a conservative brake on Mr. de Klerk's reforms.

A senior South African police officer expressed dismay Tuesday over Mr. Vlok's departure. Brig. Gen. Leon Mellet said, "he was a great communicator, a wonderful minister for the police, and is greatly admired by the South African Police."



F.W. de Klerk

Meanwhile the newly-appointed law and order minister said on British radio Tuesday that South Africa needs a stronger but more credible police force.

"I would strive for a stronger and more effective police force than there is at the moment," Kriel told the British Broadcasting Corporation (BBC).

"I think the first thing that we will have to do is to promote a police force that will at all times act in an unbiased way to each and every citizen of our country, to each political grouping. I think it is very, very important that we establish the credibility of the police force."

Croats say they are outmanned, outgunned by Serbs and army

SISAK, Yugoslavia (AP) — Croatian police and guardsmen resolutely defended their soil just an hour's drive south of the republic's capital. But they see them as a losing battle against Serbian militias they claim are backed by federal troops.

The chief coordinator of Croatian military operations in this district town, 60 kilometres south of Zagreb, says his forces are outmanned and outgunned.

"At this moment there is no chance to recapture territory" lost to armed Serbs, district Police Chief Djuro Brodarac told reporters visiting his office Tuesday.

"That territory is controlled and protected by the army," he said.

Croat forces have suffered heavier casualties than the Serbs and have nearly been pushed out of the region of Croatia along the Bosnian border in the south and east of Zagreb, a region known as the Banja.

Chief Brodarac expects the Serbs to attack Petrinja, a small town some eight kilometres southwest and the scene of violent clashes recently, or even Sisak itself.

That would edge the frontline in Banja further north, and raise fears even the Croatian capital

will have to be defended in an all-out war.

Croatia proclaimed its intent to secede from Yugoslavia on June 25. Leaders of the rival Yugoslav Republic of Serbia immediately vowed not to abandon the 600,000 ethnic Serbs within Croatia's boundaries. Croatia has about 6 million people.

Since then, more than 100 people have died in fighting between Croats and Serbs, with the federal army sometimes intervening.

Signs have been more positive in Yugoslavia's other independence-minded republic, Slovenia, where a ceasefire has held for more than three weeks.

Croatia's nationalist-oriented leadership accuses Serbia and the army of actively supporting the armed Serbian militias, claiming they are mapping out the new frontiers of a "greater Serbia" to emerge from the ashes of Yugoslavia, if the federation disintegrates.

Croatia would then be left as an economically and politically feeble state. It could lose Slavonia, its fertile eastern breadbasket, and Krajina, a poorer southwestern area situated between Zagreb and Croatia's prosperous Dalmatian coast.

The army, led by a Serb-

dominated officer corps, claims it is in Croatia as a buffer between Serbs and Croats. But federal troops have become increasingly involved in direct clashes with Croatian guards and police in recent days.

Meanwhile Croatian President Franjo Tudjman refused Tuesday to attend a meeting of Yugoslavia's top leaders called to discuss a ceasefire in his strife-torn republic.

Tanjung, the Yugoslav News Agency, said Mr. Tudjman was not coming because of "an escalation of (Serbian) terrorism which is supported by Serbian leaders and parts of federal military."

The meeting of the collective presidency and the presidents of Yugoslavia's quarrelling republics was to start later Tuesday in Belgrade, the nation's capital. It was not immediately clear whether the meeting would go ahead despite Tudjman's absence.

The collective presidency was to discuss ways to end ethnic clashes between Serbs, Croats and the federal army in Croatia which have killed more than 50 people since last Thursday, said Vasil Tupurkovski, Macedonia's representative to the presidency.



Never argue with a lion

SYDNEY (R) — For the lion it was a case of mistaken identity. For his tamer, it was a case of never argue with a lion even if he's in the wrong. Australian Bruce Russell was attacked by two-year-old Samson, a 250-kilogram lion, after Samson mistook Mr. Russell's whip for his pet bone. "For some reason he thought the whip was a bone and thought he'd have a chew," Mr. Russell told reporters. "I tried to take it back and he bit me." The mauling occurred while Mr. Russell, owner of the travelling Russell's Circus, and Samson were posing for photographs at Tweed Heads on the New South Wales coast. "It was a perfectly natural action to protect what he considered to be his bone," Mr. Russell said. In true circus tradition Mr. Russell said the show would go on and he would be back in the ring with Samson each evening.

German gets virginity test in Turkey

URLA, Turkey (AP) — A German tourist was snatched from her bed at this Turkish Aegean resort and had her virginity checked, after people complained the hotel was being used as a "love nest." Press reports said the police burst into the room where Angelika Wittwer and her Turkish companion Yavuz Kaya were staying at 3 a.m. last Tuesday, took them into custody and subjected her to a virginity test. A court freed her after the spent 15 hours in detention, the reports said. In a telephone interview with the Associated Press, a police officer in Urla who spoke on condition of anonymity said the hotel had been raided to complaints from unidentified people that it was used as a "love nest." He said the hotel manager, Cemal Aktas, had been jailed briefly on charges of abetting prostitution and the hotel closed. Turkish newspapers quoted legal authorities as saying that Turkish laws did not bar unmarried couples sharing hotel rooms and that the police action was a great blow to Turkey's efforts to increase its tourism revenues. But the Urla police official said "it is not up to us to check if there were such laws." "We take them (suspected offenders) to the court and the court decides whether it was prostitution or not."

Capriati eradicates 'you know' from repertoire

NOTTINGHAM, England (AP) — The U.S. team scored a linguistic victory even though it lost the final to Spain in the Federation Cup. With a lot of help from her teammates, Jennifer Capriati said she has won her battle to rid the dreaded words "you know" from her vocabulary. The 15-year-old Floridian, whose personal brand of teen-speak has been a hit with headline writers since she turned pro last March, is famous for her frequent use of "you know" at the beginning, middle and end of sentences. Writers often compete during press conferences to count how many "you knows" Capriati can utter in a minute. But Capriati said that is a thing of the past. "I just saw myself on TV and I definitely realized how many times I said it. I told my teammates to hit me every time I said it," Capriati said. Gigi Fernandez, Mary Joe Fernandez, and Zina Garrison obliged, poking or glaring at Capriati each time she used the phrase during the early days of the week-long Federation Cup. By Sunday, Capriati was able to announce: "I've gotten better. I think." Gigi Fernandez, who lost in doubles as the U.S. squad was defeated 2-1 by Spain, declared the anti-you know campaign a success and added: "At least we won something."

Turkish men offered 'Islamic' bathing costume

ANKARA (R) — Turkish men can now buy "Islamic style" bathing costumes which cover the body from hip to knee and do not cling to the figure when wet. They come from the Tekel central city of Kayseri, which specialises in religiously correct clothing, the semi-official Anatolian News Agency reported. Factory owner Mustafa Soke told the agency the swim suits were "Islamic style." "According to Islamic style, dressing a man's trousers have to start from the hip and cover everything down to the kneecap," he said. "And they do not cling to the body when wet."

70 more rebels die in Sri Lankan battle

COLOMBO (AP) — The battle for Elephant Pass, the fiercest war between the government and the Tamil rebels since their separatist campaign began, raged on as troops killed 70 more guerrillas, military officials said Tuesday.

The rebels were killed by government reinforcements battling their way toward the besieged army camp in the rebel-held north, officials said.

Four soldiers and a lieutenant also were killed as hundreds of guerrillas fiercely resisted the advancing columns of some 8,000 soldiers Monday, the officials said. Twelve soldiers were seriously wounded in the offensive.

Troops punched through rebel defences and occupied their fortified bunkers, according to a senior official at the joint operations command in Colombo. But the official said soldiers

have only advanced 500 metres in the direction of the camp since Sunday. He spoke on the condition of anonymity.

It was not immediately known how close the troops were to the Elephant Pass army camp, officials said.

The camp, which straddles a causeway leading to the rebel-held Jaffna peninsula, has been under siege by rebel fighters for the past 21 days.

Eight-hundred soldiers are trapped within the camp by guerrillas of the Liberation Tigers of Tamil Eelam (LTTE), who control most of the north. The Tigers have long wanted to destroy the camp 295 kilometres northeast of the capital of Colombo, to gain free access to the Jaffna peninsula.

On the fifth day of the siege, the government rushed about

3,000 fresh soldiers, but the troops failed to reach the camp because of heavy resistance by the Tigers.

More troops were sent early this week but their advance has been hampered by the heavily mined jungle terrain.

So far, 143 soldiers and 1,190 rebels have been killed, according to the government.

There was no independent confirmation of the death toll because of poor communications and the lack of civilian witnesses in the area. The Tigers have not disclosed their casualties for the past two weeks.

The battle for Elephant Pass "is easily the single largest confrontation" between the two sides since the insurrection began in 1983, Defence Secretary Gen. Cyril Ranatunge said earlier this month.

Duvalierist convicted of attempted coup in Haiti

PORT-AU-PRINCE (AP) — Ousted dictator Jean-Claude Duvalier's security chief was convicted Tuesday of leading an attempted coup and sentenced to life in hard labour.

"Justice has been prostituted," Roger Lafontant told the privately owned Radio Metropole.

The 12-member jury pronounced its verdicts at 6:30 a.m. after deliberating all night. Mr. Lafontant and his 21 accomplices were all found guilty.

Mr. Lafontant, 55, was charged with leading a Jan. 6 coup against the former civilian government of President Ertha Pascal-Trouillot in an attempt to keep President Jean-Bertrand Aristide from taking power.

The 37-year-old Roman Catholic priest, who campaigned on a radically anti-Duvalierist platform, was elected by a landslide on Dec. 16 in Haiti's first fully democratic elections since independence from France in 1804.

Mr. Aristide was inaugurated on Feb. 7, the fifth anniversary of the fall of dictator Jean-Claude "Baby Doc" Duvalier.

Judge Arnold Charles sentenced four of the defendants, found guilty with attenuating circumstances, to 10 years at hard labour.

Judge Charles sentenced the 18 others, including Mr. Lafontant, to life at hard labour. The government prosecutor had asked for 15 years at hard labour.

The prisoners were then led back to the national penitentiary. Mr. Lafontant and the others have three days to appeal.

Mr. Lafontant was formally charged with "attempting a coup d'etat and plotting against the internal security of the state."

Information Minister Marie-Laurence Jocelyne Lasguez praised the trial and its outcome.

Mr. Casambre, with a bounty of half a million pesos (\$17,800) on his head, was arrested Monday in a downtown street. His wife, alleged NPA personnel staff chief, was captured at the couple's hideout.

Gen. Enrile said the convergence of several senior guerrillas in Manila suggested that the NPA, the Philippine Communist Party's military wing, was "planning to do some intensification of their operational activities ... something big."

"With the arrest of these important people, I am very sure that what they are planning to do has been derailed," he said.

The 22-year Communist insurgency has been largely confined to the Philippine countryside. In recent years, the guerrillas, fighting for a Marxist state, have shifted small "sparrow" units to Manila, killing military and police officers in street ambushes.

Meanwhile President Corason Aquino's government has asked the United States to extend the ban that keeps Imelda Marcos from leaving the country, a Filipino official and Mrs. Marcos' lawyer said Tuesday.

The former first lady had said she planned to return to the Philippines as soon as U.S. immigration ban on her and the body of her late husband, former President Ferdinand Marcos, expires Oct. 1.

A somberly worded statement

Indian premier faces 1st crisis

NEW DELHI (AP) — India's labour minister resigned Monday in a water-sharing dispute that threatens the fragile governing coalition.

Press Trust of India (PTI) said the Minister of State for Labour, Vazhappadi Rammurthy, resigned to protest government action on a river water dispute between the southern states of Tamil Nadu and Karnataka.

The government had decided Saturday to ask the supreme court to resolve the dispute to end 25 years of wrangling on sharing the Cauvery River water.

Mr. Rammurthy, to Tamil Nadu, said this was unfair because a supreme court-appointed tribunal had earlier decided the issue in Tamil Nadu's favour. Karnataka has refused to abide by the tribunal's order, calling it arbitrary.

"We need water and do not want clarification for any legal dispute," Mr. Rammurthy was quoted as saying by United News of India (UNI).

UNI said Mr. Rammurthy's resignation is a "far-reaching political development."

The news agency did not elaborate, but the resignation will likely bring into open differences among parliament members from Karnataka and Tamil Nadu.

The Tamil Nadu government is controlled by the All India Anna Dravida Munnetra Kazhagam Party, a key ally of Prime Minister P.V. Narasimha Rao's Congress Party. Rao heads a minority government.

Karnataka is governed by the Congress Party.

The water dispute flared earlier this month when Karnataka re-

fused to obey the tribunal's order to release dammed water in Cauvery River, which flows from Karnataka to Tamil Nadu.

Tamil Nadu, strapped for drinking water, has often accused Karnataka of using more than its share of the river water.

The Congress Party decided on the All India Anna Dravida Munnetra Kazhagam for its precarious survival in the Lok Sabha, the law-making, lower house of parliament.

The Congress Party won 225 seats in the May-free elections. It is supported by All India Anna Dravida Munnetra Kazhagam's 11 seats and 9 members of other smaller parties. Although nine seats short of majority in the 507-member house, the Congress survives with the tacit support of a centrist-leftist alliance.

U.S. serial killer murdered 3 victims at grandmother's house

MILWAUKEE, Wisconsin (R) — Confessed mass murderer Jeffrey Dahmer admits he killed three of his 17 young male victims while living with his grandmother in a Milwaukee suburb during the 1980s, police have said.

Mr. Dahmer, 31, told police he killed the three men in West Allis, Wisconsin, and took the skull of one of the victims with him when he moved to his own apartment in a Milwaukee slum in 1989. West Allis Deputy Chief Robert Due said.

It was at that apartment where police found the body parts of 11 men and boys, strangled, dismembered and boiled. Police have said Mr. Dahmer has also admitted killing six other people.

The two other West Allis victims were killed in either 1985 or 1986 while Mr. Dahmer lived with his grandmother. Police said they were both Hispanics, one

aged between 16 and 18 and the other around 21 years old.

No search was planned for their bodies because Mr. Dahmer told investigators he "disposed" of their remains, Chief Due said.

Meanwhile, authorities were digging up the backyard of his former home in Bath Township, Ohio, where Mr. Dahmer has said he began his string of murders while in high school in 1978. Mr. Dahmer has told investigators the body of his first victim, 19-year-old hitchhiker Steven Hicks, lies buried there.

Police in California and Florida as well as authorities in Germany have reopened investigations of unsolved dismemberment slayings, but Mr. Dahmer's lawyer said his client denies killing anyone outside Ohio and Wisconsin.

Mr. Dahmer, whose past in-

cludes a conviction for child molesting and an army discharge for drunkenness, said he snared most of his victims in bars frequented by homosexuals in Chicago and Milwaukee.

He confessed to luring victims to his apartment by promising them \$50 if they posed nude. He then had sex, drugged the victims, strangled them and cut them into pieces, boiling the skulls. He said he kept the heart of one victim in his freezer "to eat later."

Mr. Dahmer was charged in four killings last week and prosecutors said they will charge him with others on Aug. 6 now that more of the victims have been identified.

He is scheduled to go on trial on Aug. 26 and faces a life sentence on conviction. Wisconsin has no death penalty.

S. Korea to submit U.N. application on Aug. 5

SEOUL (R) — South Korea will submit its application for United Nations membership on Aug. 5, a Foreign Ministry spokesman said Tuesday.

Roe Chang-Hee, South Korea's ambassador to the United Nations, will hand the application and a declaration accepting obligations stipulated in the U.N. charter to Secretary General Javier Perez de Cuellar on that date, he said.

North Korea in May dropped its longstanding insistence that both Koreas share a single U.N. seat and reluctantly applied for separate membership earlier this month.

South Korea's recent wooing of Pyongyang's longtime allies, China and the Soviet Union, forced the North to accept it could no longer count on a Sino-Soviet veto of Seoul's application, diplomats said.

South and North Korea have observer status in the world body. Meanwhile North Korea, widely suspected of developing nuclear weapons proposed Tuesday a nuclear-free Korean peninsula to be guaranteed by traditional allies China and the Soviet Union as well as the United States in future negotiations.

A somberly worded statement

said Pyongyang "is ready to hold bilateral or multilateral negotiations any time to discuss the matter of establishing a nuclear-free zone on the Korean peninsula."

It added: "The United States, and the Soviet Union and China, the nuclear weapons states neighbouring on the Korean peninsula, shall legally guarantee the nuclear-free status of the Korean peninsula, once an agreement is reached (with South Korea) and declaration is adopted to this effect," said Pyongyang's Foreign Ministry in a dispatch monitored in Tokyo.

Only last week the U.S. Pacific Command Commander-in-Chief, Admiral Charles Larson, said in Singapore that North Korea was secretly developing nuclear weapons and that the programme posed the biggest security concern in the Asia-Pacific region.

Pyeongyang has repeatedly denied it is trying to develop nuclear weapons.

But it has refused to allow international inspection of its secret nuclear facility at Yongbyon, north of the capital, until the United States opens its bases in South Korea to similar scrutiny.

North Korea showed signs of easing its position on international

inspection in mid-June when it told the International Atomic Energy Agency (IAEA) in Vienna that it would sign a safeguards agreement which would open its nuclear plants to IAEA inspectors.

One week later, however, it repeated its condition that it would allow inspection only if the United States agreed to follow suit in South Korea.

Now North Korea, hoping to win membership in the United Nations, could be shifting toward a more moderate policy.

Prime ministers of the two Koreas are due to meet in Pyongyang late next month to resume a tentative dialogue that began last September — their highest level contact since the 1950-53 Korean War.

In its three-part proposal Tuesday, North Korea called on archival South Korea to negotiate the terms of a nuclear-free region to be set forth in a joint declaration, to take effect no later than the end of 1992.

The joint declaration should provide for bans on the testing, manufacturing and possession of nuclear weapons by the North and South, the statement said.

It should also provide for "the

prohibition of the deployment and passage of nuclear weapons and of the nuclear military exercises in the sphere of the nuclear-free zone of the Korean peninsula and the verification of the absence of nuclear weapons through inspections of the North and South."

North Korea has repeatedly accused the United States of basing nuclear weapons in South Korea. Washington refuses to deny or confirm the existence of nuclear arms there.

There was no immediate response from South Korea to the North's proposal.

North Korea may have decided to include Peking and Moscow as guarantors following pressure from those countries.

Pyeongyang and Moscow had their first high-level contact in mid-July in almost two years when Alexander Molotov, deputy chairman of the Council of the Union, one of two chambers of the Soviet parliament, visited North Korea and met President Kim Il-Sung.

Although no details of the

Over 100 feared dead in heavy Romanian flooding

BACAU, Romania (R) — More than 100 people were feared dead Tuesday after two days of the worst flooding on record devastated much of this northeastern Romanian region, county officials said.

Laurentiu Hrebenciuc, adviser to the Bacau County prefect, said 40 bodies had been recovered so far but a further 69 people were missing and believed to drowned.

"We have virtually no hope that those missing persons will be found alive," Mr. Hrebenciuc said.

After heavy rains over the weekend, flood waters burst through a dam early Monday and swept away more than 800 homes in an area near the city of Bacau, 300 kilometres northeast of Bucharest.

The mountainous region west

of the Siret River, on Romania's northeastern border, bore the brunt of the disaster.

Rains ceased Monday night but heavy floodwaters were expected to move towards lower lands east of the mountains. More rain was forecast for Tuesday afternoon.

The floods have devastated 17 villages, swept away 648 homes, submerged 1,747 and made 13,120 people homeless, Mr. Hrebenciuc said. Local officials are trying to calculate the extent of damage to farmland and crops.

In a statement late Monday, President Ion Iliescu appealed for a national relief effort to help flood victims and called on all Romanians to "help the homeless and bereaved."

Relief work was hampered by disrupted communications, as the floods destroyed 44 bridges and cut off three national roads.

'Some progress' reported at U.S.-Vietnam talks

BANGKOK (R) — A senior Vietnamese official said Tuesday that some progress had been made toward normalising relations with their former wartime enemy, the United States.

"I think there was some progress, some improvement in the process," Vietnamese Deputy Foreign Minister Le Mai told reporters after talks in Bangkok with U.S. Assistant Secretary of State Richard Solomon.

The two sides spent a long time discussing the search for American servicemen declared missing in action (MIA) in the Vietnam War, Mr. Le Mai said.

"They realise we have done a tremendous amount on this issue," he said.

Mr. Solomon did not talk to reporters after the meeting, the sixth high-level contact since official contacts began in August 1990.

They discussed recent speculation in the United States about the possible survival of U.S. airmen, Mr. Le Mai said. The speculation followed publication of a photograph purporting to show such survivors.

"It is not in the Vietnamese interest whatsoever to keep American prisoners for years like this," Mr. Le Mai said.

"However, in the sense of cooperation I told them if there is any evidence about a living American in Vietnam, even if the chance is zero point zero zero of one per cent, we agree to a joint

investigation with the Americans."

He said he and Mr. Solomon did not discuss Cambodia in detail.

The Vietnamese welcomed the success of recent Cambodian peace talks in Thailand and China.

"We hope that the next meeting would also be successful," Mr. Le Mai said.

"I think the Americans are also sharing the same hope," he said.

The United States has tied the issue of Washington-Hanoi normalisation to major progress in Cambodia, which the Vietnamese invaded late in 1978 to oust the Khmer Rouge.

Washington also demands Vietnam free political prisoners and account for the MIAs.

Vietnam says resolving outstanding issues between the two countries would be better accomplished after normalisation.

The Americans gave "no hint" on when they might lift a trade embargo against Vietnam which has prevented it from obtaining loans from the International Monetary Fund, Mr. Le Mai said.

The embargo also blocks high-